

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LDC/M/42
13 July 1966

Special Distribution

MINUTES OF THE MEETING OF THE INFORMAL GROUP OF LESS-DEVELOPED COUNTRIES ON 29 JUNE 1966

Prepared by the Secretariat

1. The forty-second meeting of the informal group of less-developed countries in GATT was held on 29 June 1966, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Brazil, Chile, India, Indonesia, Israel, Jamaica, Pakistan, Peru, Spain, Trinidad and Tobago, United Arab Republic and Yugoslavia.
2. In opening the meeting, the Chairman expressed pleasure that, on the eve of leaving his post in Brussels to take up duties at the headquarters, Ambassador Lall had found it possible to attend the present meeting of the group. On behalf of the group, he wished Ambassador Lall "bon voyage" and expressed appreciation for the very constructive and fruitful contribution he had made to various activities directed to promote trade and development, in particular of less-developed countries. He expressed the hope that, although Ambassador Lall would be based in India, he would continue to inspire and influence future developments in this field for the benefit of all less-developed countries.
3. Ambassador Lall expressed his deep appreciation for the gracious words with which he had been welcomed and for the good wishes expressed by members of the group for his new assignment in his national Government. In terms of concepts and techniques, the group had made an important contribution to the search for solutions for the trading problems of developing countries. He was personally indebted to it for helping to evolve many of his own ideas in this field. It had to be recognized that in the field of international trade co-operation there had been more progress in evolving new concepts than in implementing new policies. A stimulation of the political will to secure implementation was therefore clearly necessary.

4. Through years of concentrated efforts, certain concepts had emerged on matters like international commodity trade, compensatory financing and tariff and non-tariff barriers on the export trade of less-developed countries. The industrialized countries had indicated that substantial progress in regard to the reduction and elimination of tariff and non-tariff barriers to the trade of less-developed countries could be expected in the Kennedy Round. It seemed to him, however, that further efforts were called for on the part of developing countries, with appropriate technical assistance from the secretariat, to secure action by industrialized countries on their requests. He suggested that the group should proceed to draw up two consolidated lists of items of export interest to less-developed countries - one listing products for which the developing countries were the predominant suppliers and the other, setting out those for which less-developed countries were not and might not in the near future be substantial suppliers. These two lists should be formalized by the Sub-Committee on the Participation of Less-Developed Countries as soon as it was convened.
5. In respect of those items for which less-developed countries were the major suppliers, they should make a joint request for a zero tariff, no quantitative restrictions, to be read in conjunction with the commitments already made in regard to the principle of non-reciprocity. For other items of export interest to less-developed countries, it should be agreed that zero tariffs or very low tariffs should apply to imports originating from less-developed countries, subject to necessary safeguards against abuse of the concessions either by the less-developed countries concerned or interested entrepreneurs from the industrialized countries themselves. For both categories accelerated implementation of the tariff cuts in relation to the trade of less-developed countries should be sought.
6. Ambassador Lall suggested that if the industrialized countries were unable to accept these proposals, they should be invited to come forward with alternative proposals for securing an adequate rate of expansion in the exports of developing countries. The industrialized countries might wish to consider the establishment of some quantitative targets.
7. The group took up the examination of the suggested procedures for trade negotiations between less-developed countries (Spec(66)36). The group recognized the difficulties created for less-developed countries by foreign exchange and other conditions when they considered commitments in this field but agreed that a determined effort at an exchange of concessions directed towards expanding the mutual trade of less-developed countries was necessary both because of the direct benefits it could bring and because of its importance for the attitude of the developed countries.

8. Most members of the group present at the meeting expressed their general support for the suggested procedures as they had received instructions from their respective governments to go ahead with the proposal. The representative of the United Arab Republic stated that at the present stage of the group's work, his delegation felt duty-bound to clarify once more its position vis-à-vis the group of less-developed countries in GATT. In its view this was an unofficial group and participation in its work was optional and was not limited by any agreed definition. The UAR could not accept any group as constituting the developing countries, other than the group known as the "seventy-seven". It should be noted that for purposes of the General Agreement, no official list of developing countries had been adopted.

9. The major points made and decisions taken by the group during the examination of the suggested procedures in Spec(66)36 are:

Paragraph 1

Recognizing that a number of less-developed countries had already expressed their intention to exchange trade concessions between themselves, the group agreed that those less-developed countries which had not so far indicated their intention to do so but wished to participate in the negotiations should inform the secretariat accordingly by 1 August 1966.

Paragraph 5

The group agreed to modify the dates appearing in paragraph 5 to read "1 August" and "15 August" respectively.

In view of the above decision, it was suggested that the members of the group might fruitfully undertake to prepare a list of products in respect of which they, without committing their respective governments, considered that mutual exchange of concessions among less-developed countries seemed practicable. Such a list of products would prove very helpful to individual governments in preparing their requests and their offers. The list should be as comprehensive as possible; although a number of products might be suggested by individual delegations, no individual delegation would carry any obligation or commitment in regard to its own suggestions or in regard to the list of products as a whole. This list should be finalized by the end of July and circulated to all less-developed countries.

In relation to the last sentence of paragraph 5, the representative of India informed the group that his Government was not thinking in terms of extending to industrialized countries any of the concessions which it might offer in the course of the negotiations to other less-developed countries.

Paragraph 8

Having regard to the difficulties which many developing countries might experience in offering concessions without going through a procedure of exploratory negotiations or discussions at expert level, the group agreed that the date for the submission of consolidated lists of concessions by the less-developed countries should be modified to read "15 October".

It was further agreed that between 15 August and 15 September, governments of less-developed countries would exchange with other interested governments through such channels as were available to them, views on the lists of requests which would have been received by them. A meeting of governmental experts from countries making requests should take place on 3 October 1966 in Geneva for an exchange of views on the lists of requests as a preparatory step towards the final formulation of offers by the governments for submission by 15 October 1966.

Paragraph 9

The group agreed that the proposed Committee on Negotiations Among Less-Developed Countries, initially composed of all less-developed countries which had submitted lists of requests by the revised dates specified in paragraph 1 of the paper under consideration, should hold a preliminary meeting in the first week of September 1966 with a view to facilitating discussions and negotiations. It was further agreed that the Deputy Director-General should be requested to accept the Chairmanship of this Committee.

10. It was suggested that the dates mentioned in paragraph 5 and 8 should be considered as indicative. In particular, if after seeing the list of requests, a less-developed country which until then had not taken a decision to participate in the negotiations felt that it could better serve its interest by doing so, it should have the opportunity to submit a list of requests and offers even after expiry of the terminal dates.

11. The group noted that, in accordance with the decision of the CONTRACTING PARTIES, all preferential concessions would be subject to eventual scrutiny by the CONTRACTING PARTIES.

12. The Group agreed that there would be merit in holding its next meeting prior to the meeting of the Trade Negotiations Committee scheduled to be held on 8 July 1966.