

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development  
Eighth Session  
Punta del Este, Uruguay  
16-20 January 1967

## SUMMARY AND CONCLUSIONS<sup>1</sup>

1. The Committee stressed the need for effective and expeditious implementation of Part IV of the General Agreement as an important means of meeting the urgent trade and development needs of developing countries. To this end, the Committee reviewed the progress made in the implementation of Part IV with particular reference to the possibilities provided by the Kennedy Round of trade negotiations for bringing about a substantial relaxation of tariff and non-tariff barriers affecting products of export interest to less-developed contracting parties.
2. The Committee noted that the Kennedy Round represented the most ambitious negotiations yet undertaken to achieve the liberalization of international trade. It recognized the importance of a successful conclusion to the Kennedy Round for the future of international trade co-operation and recalled the affirmation of developed countries that in the trade negotiations every effort shall be made to reduce barriers to exports of less-developed countries and that this consideration should be borne particularly in mind in the approach to the question of exceptions.
3. A number of developed contracting parties drew attention to the scope and the size of the offers of tariff reductions made by them in respect of products of interest to developing countries including tropical and other agricultural products. They also stated that should it prove necessary to make withdrawals from the initial lists of offers, efforts would be made to maintain offers on items in which less-developed countries had an export interest.

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<sup>1</sup>The summary and conclusions were adopted by the Committee on 20 January 1967. It was understood that the text should be read in conjunction with the note summarizing the discussions of the meeting which will be circulated in due course by the secretariat.

4. Most of the less-developed contracting parties which participated in the discussions of the meeting expressed concern that some of the developed contracting parties had not, in their view, so far accorded high priority to the reduction and elimination of barriers to products currently or potentially of particular export interest to less-developed contracting parties in the course of the current trade negotiations. These representatives also drew attention to the requests for maintenance and improvement of offers addressed by them to developed participants in the negotiations. The initial offers presented by some of the developed contracting parties excluded many items of substantial interest to those less-developed countries. Withdrawals from the original lists of offers would, if implemented, further limit for a number of less-developed countries the benefits which they might derive from these negotiations.

5. The Committee noted that a number of less-developed countries had made their requests in clear and specific terms and that these conditions for a more positive response from the developed contracting parties had been established. The Committee agreed that every effort should be made to ensure that the initial lists of offers on products of interest to less-developed countries are maintained and improved. In this connexion particular regard should be paid to the specific requests made by developing countries concerning products of current and potential export interest to them. The Committee noted that the developed participants had reaffirmed their willingness to consider improving their initial offers and that they were prepared to consider the possibility of taking such steps as are open to them to make cuts deeper than 50 per cent in, or to eliminate duties completely, on products of special interest to less-developed countries. It also recommended that, to the maximum extent possible, the tariff reductions in respect of products of interest to less-developed countries should be implemented immediately. It agreed that the way for securing such action would be by specific consultations between the less-developed and developed contracting parties concerned in regard to the interest of developing countries in the products in question.

6. The Committee also noted that action in respect of the points mentioned above might be facilitated through the creation of new sub-items for products of particular interest to less-developed countries, and recommended that the feasibility of this approach should be fully explored.

7. The Committee noted that the reduction, as a result of the most-favoured-nation tariff cuts, of preferences, at present enjoyed by certain less-developed countries in some developed countries, might have unfavourable implications for the export earnings of these less-developed countries. The Committee recommended that adequate consideration be given to this matter when all the facts are on the

table towards the end of the negotiations. A certain number of countries expressed the view that an effective system of compensation for the loss of preferences would have to be evolved. Most developed countries expressed the hope that the tariff benefits received in other markets by countries losing preferences would ensure that the Kennedy Round makes a positive contribution to their economic growth and export earnings.

8. The Committee took note of the situation in respect of tropical products. A number of less-developed countries recalled that, at the GATT Ministerial Meeting in May 1963, most GATT Ministers had accepted the objective of complete elimination of barriers on such products. Certain less-developed countries indicated that they could not agree to any elimination or reduction of tariffs affecting these products which involves a loss of preferential benefits at present enjoyed by them until adequate compensatory measures have been agreed upon and effectively implemented. The Committee recognized the importance of achieving agreement as to the best form of action that would permit removal of existing preferences so that the objective of complete duty-free entry for tropical products can be attained. At the same time it noted that there was a wide area over which contracting parties could take individual action to reduce or eliminate tariff barriers on tropical products in the common interest of developing countries and without harm to the interest of any particular developing country. The Committee also noted that some developed countries had already taken such action.

9. The Committee reaffirmed that the objective of acceptable conditions of access to world markets for agricultural products was important for the Kennedy Round and stressed that the attainment of this objective was of the utmost importance for a number of less-developed countries. The Committee expressed the hope that the offers on products of interest to less-developed countries would be maintained or improved so that these offers as well as the negotiations looking towards multilateral arrangement on cereals, meat and dairy products (which were of prime importance to certain less-developed countries) result in an expansion of the possibilities open to these countries to expand their export earnings from sales of agricultural commodities. In this respect, some countries indicated their concern with some agricultural policies adopted by some developed countries and from which could derive harmful effects to the export trade of developing countries.

10. Attention was drawn to the commitments that less-developed countries have accepted to make every possible effort to ensure a contribution to the objectives of the Kennedy Round consistently with their development, financial and trade needs, and to the obligations assumed by less-developed contracting parties under Part IV of the GATT. Some delegations urged that efforts by less-developed contracting parties to reduce levels of domestic protection in the context of the Kennedy Round could make a contribution to the success of the negotiations, bring appreciable benefits to themselves and other less-developed contracting parties and facilitate the overall effort to reduce or eliminate barriers affecting the trade of less-developed countries during the present negotiations.

11. Several delegations expressed the views that, even if the Kennedy Round were to result in a substantial reduction of tariff and non-tariff barriers to the trade of developing countries in accordance with the principles and objectives accepted for these negotiations, there would continue to be need for ensuring further speeding up of the implementation of the provisions of Part IV as well as for special tariff measures such as preferences to secure the elimination of remaining barriers to the exports of these countries and to enable them to overcome the difficulties faced by them in developing export industries and establishing their products on the markets of developed countries. The Committee noted that the issues involved for international trade policy in schemes of preferences and the modalities of such arrangements were being actively studied in several organizations. Most delegations expressed the hope that these studies would be pushed forward as rapidly as possible so that, in the light of the result of these studies, appropriate and favourable decisions can be taken in regard to further action to meet the trade and development needs of developing countries.

12. The Committee recognized the serious problems created for many less-developed countries by the instability of commodity markets and the deterioration in the prices of many primary products. It noted that the negotiation of improved conditions of trade for primary products must remain an important preoccupation of trade negotiations conducted by the CONTRACTING PARTIES. The Committee also affirmed its willingness, in terms of the provisions of Part IV and the procedures for consultation and negotiation provided in the General Agreement, to co-operate in facilitating bilateral and multilateral consultations aimed at seeking appropriate solutions for commodity problems. It will continue to give support to the activities of other international organizations in this field, in order to solve commodity problems. The Committee urged that steps be taken in the appropriate quarters for the negotiation of a commodity agreement on cocoa, as soon as possible.

13. The Committee considered a statement by the delegation of Chad regarding the adverse effects on its economy of recent developments in the international market for cotton and other primary commodities of which Chad is an exporter. It also had before it COM.TD/37, a note by the delegation of Chad. The Committee agreed to set up a working party with the following terms of reference:

"Having regard to the provisions of Article XXXVIII, to study the problems outlined by the Government of Chad and to make appropriate recommendations to the Committee by its next session."

The Chairman of the Committee will appoint the members of the working party in consultation with delegations.

14. The Committee stressed the need for a further effort to speed up the removal of restrictions, particularly those inconsistent with the GATT, that affect the trade of less-developed countries. The Committee agreed that urgent consideration should be given to improving consultation procedures for this purpose. Most delegations urged contracting parties maintaining restrictions to adopt practical measures to limit their harmful effect on the trade of less-developed contracting parties pending the final removal of the restrictive measures in question. Some delegations also urged that these measures should include the elimination of duties on the products concerned. The Committee noted that since the last session of the CONTRACTING PARTIES some progress had been made by a number of developed contracting parties in eliminating residual restrictions on products of interest to less-developed countries. At the same time, the Committee noted with deep concern that in some countries restrictions on many products currently or potentially of particular export interest to less-developed contracting parties still remained. It was noted that a number of contracting parties had indicated their intention to seek the relaxation or elimination of existing quota restrictions in the course of the Kennedy Round trade negotiations.

15. The Committee took note of the importance attached by several delegations of developing countries to the effective strengthening and improvement of procedures and possibilities for safeguarding the trade and economic interests of these countries provided by Article XXIII of the General Agreement. The Committee expressed the hope that consideration of the proposals to this effect, at present being considered in the Group on Legal Amendments, would be completed at an early date in order that proposals may be submitted to the twenty-fourth session of the CONTRACTING PARTIES.

16. The Committee took note of a report on the discussions that have taken place between some developing countries which foresee an exchange of concessions between these countries directed towards an expansion of their mutual trade. The Committee recalled the views expressed at its earlier meetings in regard to the rôle which such an exchange of concessions could play in encouraging economic efficiency and development in the developing countries and expressed its interest in the outcome of the current discussions. It was recognized that negotiations between developing countries could make a significant contribution to the objectives of the Kennedy Round. At the same time, it was noted that not all less-developed contracting parties may be in a position to participate in these negotiations and that some of these countries considered that their efforts must, in the first instance, be directed towards promoting economic co-operation on a regional basis. The Committee reaffirmed its sympathetic interest in the successful development of both these efforts.

17. Some members expressed the hope that the European Economic Community would reconsider its attitude concerning its adoption of Part IV and would consequently be in a position to participate as such in the work of the Committee.

18. The Committee reviewed the work of the GATT International Trade Centre in providing assistance to developing countries in the field of export promotion and marketing and noted that the activities of the Centre represented an important practical contribution to the efforts made to improve export prospects and possibilities for these countries. The Committee approved the general orientation of the Centre's activities which are being increasingly geared to provide developing countries with marketing data and technical know-how for exploiting new market opportunities as well as to enable these countries to develop their export promotion services and to train the personnel needed for these services. In this connexion, it was emphasized that the assistance provided by the Centre to developing countries in exploring markets for their exports in other developing countries was of particular importance.

19. Members of the Committee expressed their support for the Centre's plans to pay particular attention to the establishment in the developing countries of institutions and services for export promotion and marketing as well as to the training of personnel. There was general support for the organization, under the direct supervision of the Centre, of a training course oriented to the special needs of the developing countries. It was also considered desirable that relations between the Centre and the national trade promotion centres of the less-developed countries should be strengthened so that the GATT Centre could give greater support to national efforts.

20. The Committee recommended that the various suggestions concerning the Centre's activities made in the course of the discussions should be carefully examined by the Group of Experts on Trade Information and Trade Promotion Advisory Services and that further action should be based on their advice.

21. The Committee recognized that a strengthening of the resources available to the Centre would enable it to fulfil more adequately the functions entrusted to it. The Committee agreed that urgent consideration should be given to this question, taking into account the advice of the Group of Experts. Several delegations of developed countries indicated their government's intention to advance the work of the Centre by contributing additional resources. In assessing the budgetary needs of the Centre, account should be taken of this direct assistance to the Centre by certain developed countries. It was also urged that the CONTRACTING PARTIES should endeavour to seek collaboration with the various technical assistance agencies of the United Nations so as to secure their financial support.

22. The Committee expressed its appreciation of the assistance provided by national governments for the Centre's activities and looked forward to the further growth of this assistance.

23. The Committee reviewed other technical assistance activities of GATT in their relation to the objectives and commitments set out in Part IV and welcomed the growing contribution made by these activities in such related areas as the study and elaboration of the export content of development plans, the revision and modernization of tariff systems, and the investigation of growth possibilities in the regional and extra-regional trade of developing countries. It was noted that in a number of instances the studies carried out by the GATT secretariat had been followed by the provision of technical assistance for the organization of suitable export and marketing functions in these countries. The Committee welcomed the growing co-operation, in these areas of activity, between the GATT secretariat and other organizations and agencies concerned which it considered would make for more effective co-ordination of efforts in these fields.

24. The Committee also reviewed the operation of the GATT commercial policy courses. It expressed appreciation of the value of these courses and similar courses offered by the governments of developed countries in providing candidates from developing countries with an introduction to the study of practical problems of trade and economic development.

25. The Committee agreed that the end of the Kennedy Round should provide an occasion for an examination of the problems that require further attention of the CONTRACTING PARTIES in the context of the obligations accepted by governments under Part IV of the General Agreement. It recommended that the secretariat should be asked to undertake, as one of its first tasks after the completion of the Kennedy Round, an analysis of the results of the trade negotiations so that, in the light of these results, the Committee might identify the problems to which the CONTRACTING PARTIES would need to address themselves in terms of the responsibilities accepted by governments under Part IV and the possibilities for finding solutions to the trade and development problems of developing countries offered by the specific GATT techniques and procedures for consultation and negotiation between governments.