

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development

PROCEEDINGS OF THE SIXTEENTH SESSION

Prepared by the Secretariat

1. The Committee held its sixteenth session on 23 March 1970 under its Chairman H.E. Mr. A. Papić (Yugoslavia).
2. The Chairman welcomed Malaysia as a new member of the Committee.
3. The Chairman recalled that as agreed at the fifteenth session the present meeting was convened to continue discussion on procedures for consultations on the implementation of Part IV and to exchange views on the future work programme in the light of discussions at the twenty-sixth session of the CONTRACTING PARTIES.
 - I. Consultation procedures under Part IV
 4. The Committee had before it draft proposals by the secretariat on consultation procedures under Article XXXVII:2 (L/3335, annex) and a secretariat note summarizing the previous discussions of the subject which had taken place at the fifteenth session (COM.TD/73).
 5. The Chairman referred to the divergent views that had been expressed in regard to the consultation machinery to be set up. While it was for the Committee itself to decide, he would, after having consulted delegations informally, venture to suggest that whether a panel of experts or a working party should be established, could be left for decision in each case in agreement with the interested parties.
 6. Some members of the Committee, while generally in favour of the secretariat proposals, reiterated the position taken by them on previous occasions that panels of experts should be established to deal with consultations initiated under Article XXXVII:2. They considered that it would not be appropriate for a country against which a complaint was made to form part of a panel of governmental experts established to consider such a case, otherwise the country concerned would play the rôle of both judge and accused. This situation could be avoided if an independent panel of experts were appointed which could examine the problems put before them in an objective manner. Some other members, who were also willing to accept the secretariat proposals, recalled their preference for ad hoc working parties which could be established to deal with problems as they arose.
 7. After further discussion the Committee agreed that it was not necessary to decide beforehand whether a panel or working party should be established to deal with cases raised under Article XXXVII:2, and that the choice of machinery should be left

open to be decided according to the particular circumstances of each case and in agreement with the parties concerned. The Committee agreed to adopt the secretariat draft proposals with a modification indicating that any arrangements made to examine a problem under these provisions should be acceptable to the parties directly concerned. The text adopted has been circulated in COM.TD/74.

II. Programme of work

8. The Chairman drew attention to the main points in the Committee's report to the CONTRACTING PARTIES (L/3335) concerning its future work. He also pointed to the importance given in the Conclusions of the twenty-sixth session to the need for action, including additional measures designed to improve conditions of access and stabilize conditions of world markets for exports from developing countries. Particular attention should in the future work of the Committee be devoted to finding solutions to specific problems in the primary commodity sector.

9. Trade in tropical products. The representative of Malaysia explained the difficulties experienced by his country in exporting improved forms of natural rubber. He pointed out that his Government had made considerable efforts through the implementation of research programmes involving large financial outlays to improve the competitive position of natural rubber, vis-a-vis synthetic rubber, only to encounter import duties applied by certain developed countries. These were being imposed despite the provisions of Article XXVII:1(a) which specified that developed countries should accord priority to the reduction and elimination of barriers to products currently or potentially of particular export interest to less-developed contracting parties which differentiate unreasonably between products in their primary and processed forms. He suggested that the Special Group on Tropical Products include natural rubber in the list of products to be dealt with in that Group and that the Group be convened to discuss the matter at an early date on the basis of adequate documentation on tariffs prepared by the secretariat.

10. The representative of a developed country, commenting on the point raised by the representative of Malaysia, said that his administration was in the final stages of considering legislation which would have the objective of removing the duties on improved forms of natural rubber. He hoped that other developed countries involved would be able to utilize legal possibilities open to them to remove these duties.

11. It was generally felt that the Special Group should be reconvened to discuss the problem of natural rubber along with problems affecting any other tropical product which delegations might wish to raise. The Special Group should continue to deal systematically with problems raised on a product-by-product basis. With regard to the six priority product groups (coffee, cocoa, tea, vegetable oilseeds and oils, bananas and spices) the Group should review work being carried on elsewhere so as to avoid duplication. It was understood that the Group would not take up the problem of tropical oils and seeds before the matter had been considered at the forthcoming meeting of the relevant Working Group of the Agriculture Committee.

12. It was suggested that in preparing for the next meeting of the Special Group the secretariat should prepare a paper reviewing how the Ministerial Conclusions of 1963, concerning the progressive removal of internal charges and revenue duties on tropical products, had been implemented. Several members of the Committee felt that considering the long interval which had passed since the adoption of this Conclusion, it was timely that the whole question of internal charges imposed on tropical products be discussed by the Special Group, the more so since this matter was included in its terms of reference. The problem of tariff differentials on certain tropical products was also raised in this connexion.

13. Import restrictions. It was suggested by several members that developing countries should make every effort to identify areas of interest to them and to take an active part in the work of the Joint Working Group on Import Restrictions. It was further suggested that the Group on Residual Restrictions might be reconvened in June and that in the meantime the secretariat could carry out whatever preparatory work that might be necessary for the continuation of the work in that Group.

14. Tariff studies. It was suggested that when the current tariff study was completed the Committee on Trade and Development could usefully examine Tabulation III of the study relating to particular interests of the developing countries.

15. Adjustment assistance measures. It was suggested that the Group of Experts on Adjustment Assistance Measures be reconvened in the autumn to review the situation on the basis of up-to-date information submitted by governments.

16. In summing up, the Chairman stressed that developing countries should play an active rôle in the current work of all the relevant GATT bodies, by drawing the attention of these bodies to their particular problems.

17. It was agreed that members of the Committee would reflect on how work on the above points could be usefully pursued and that the Committee would finalize its work programme at its next meeting, at which members could also indicate any further matters they would wish the Committee to take up. The Committee would at that meeting be kept informed of developments in other bodies especially in regard to progress on Tabulation III of the tariff study.

III. Other matters

18. The representative of the United Kingdom made a statement for the record refuting some of the points made in COM.TD/W/112/Add.19.