

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/78  
25 June 1970

Limited Distribution

---

Committee on Trade and Development

## PROCEEDINGS OF THE RESUMED SIXTEENTH SESSION

Prepared by the Secretariat

1. At the first meeting of the sixteenth session of the Committee on Trade and Development held on 23 March 1970 it was agreed that the session should be resumed to finalize the work programme of the Committee when members had reflected on the various points which had been raised during that meeting. A secretariat note on the proceedings of the meeting was circulated in COM.TD/76.

2. The resumed session was held on 26 May 1970. The main points made in the discussions and the conclusions reached on the Committee's future work programme are summarized below.

### I. Review of the implementation of Part IV

3. The Committee had before it a secretariat note on recent activities in other bodies relevant to the implementation of Part IV (COM.TD/W/123 and Add.1).

4. The Committee took note of an announcement by the delegation of Switzerland regarding duty-free entry into the Swiss market of certain handicraft cotton textile and silk products effective as from 1 July 1970. The Committee was also informed by the Commission of the European Communities of the conclusion of a commercial agreement with Yugoslavia, providing inter alia for the accelerated implementation of Kennedy Round concessions on certain products including some of interest to developing countries generally. It was indicated by the representative of the European Communities that the agreement was of a non-preferential character and that the concessions would be applicable on a most-favoured-nation basis.

5. The Committee also noted current developments in the discussions on the general scheme of preferences and it was suggested that delegations give thought to the action the GATT would be required to take at the appropriate time.

### II. Special tariff problems

6. A note on progress in work on Tabulation III of the Tariff Study (COM.TD/W/122), and a study by the secretariat on tariffs on copper and copper products (COM.TD/71), served as a basis for discussion.

7. Members of the Committee welcomed the secretariat proposals for the work to be done on Tabulation III of the Tariff Study and expressed the hope that the Study will lead to useful conclusions. Some members felt that a document showing clearly the post-Kennedy Round structure of tariffs and highlighting areas where tariffs impeded the exports of developing countries, for example as a result of tariff escalation, would be of great value to developing countries in preparing them for future negotiations. Further, as it was likely that some products would be excluded from the scheme of generalized preferences, documentation on the tariff situation would enable developing countries to see how their interests would be affected and thus assist them in defending these interests.

8. Some members of the Committee, in expressing appreciation for the secretariat study on copper, remarked that similar work could be carried out in other sectors. The representative of the European Communities suggested that the secretariat circulate certain comments which had been communicated by the EEC regarding the basis and methods used in the copper study, in particular on the subject of the system of double-pricing followed in some countries.

9. It was agreed that the Committee should recommend that the copper problem be taken up by the Industrial Committee as part of its overall examination of the tariff situation when the Tariff Study has been completed.

### III. Import restrictions

10. The Chairman recalled that in the Committee's report to the twenty-sixth session of the CONTRACTING PARTIES it was recommended that the Group on Residual Restrictions should be reconvened as and when it was considered useful to do so, and that the Group should review possibilities for removal of import restrictions affecting products of particular interest to developing countries in the light of discussions in the Joint Working Group.

11. Some members noted that because of the short time available the Joint Working Group had not been able to deal in any great detail with the rather extensive list of restrictions which had been placed before it. The Group on Residual Restrictions would be better placed to study products of interest to developing countries in greater depth and would be able to carry forward some of the ideas expressed in Working Group 4 of the Industrial Committee on the subject.

12. The Committee noted discussions which had taken place in Working Group 4 of the Industrial Committee and considered how it could most usefully pursue its own work in the field of import restrictions.

13. Members of the Committee stressed that the next meeting of the Group on Residual Restrictions should not confine itself to identifying import restrictions affecting exports from developing countries since the situation in this regard was now well-known. The task of the Group should be to make a serious effort to suggest ways and means of removing these restrictions. It was recalled in this connexion that under its terms of reference the Group on Residual Restrictions

was required to transmit appropriate findings and recommendations to the Committee on Trade and Development regarding possible action for the elimination of residual restrictions. Some members stressed that if progress along these lines could not be achieved in the Group on Residual Restrictions, developing countries should consider resorting to the procedures on consultations under Article XXXVII which were recently adopted by the Committee on Trade and Development.

14. It was suggested by some members that the Group on Residual Restrictions should meet either before or after the summer recess. The first task of the Group should be to concentrate its attention on the fifteen items selected for priority treatment with the objective of seeking solutions. The Group should also be free to consider any additions which delegations might wish to suggest from the list of products already identified as of interest to developing countries. In this connexion reference was made to items identified in the Joint Working Group as being of specific interest to developing countries.

#### IV. Tropical products

##### (a) Natural rubber

15. At the previous meeting the delegation of Malaysia had drawn attention to a problem affecting tariffs on improved natural rubber. It had been suggested on that occasion that the matter be referred to the Special Group on Trade in Tropical Products. The secretariat prepared a background paper in consultation with interested exporting countries for the information of the Special Group (SGTP/16).

16. Some members of the Committee stated that as the secretariat background paper had only recently been circulated, they would not be in a position to comment on the paper until it had been studied by their authorities.

17. The representative of the United States informed the Committee that legislation was before Congress to deal with the problem of tariffs on improved natural rubber raised by the delegation of Malaysia.

18. There was some discussion as to whether, in the light of the proposals for the inclusion of improved natural rubber in the general preferential scheme, it would not be more practical to await the outcome of discussions on the preferential scheme before the matter was taken up in the Special Group. Those members which supported an early discussion of the subject in the Special Group stressed that the current discussions on preferences should not be used as a ground for postponing action, considering that the preferential scheme was likely to be of temporary duration and would not be uniformly applied by the preference granting countries.

##### (b) Internal charges and revenue duties

19. It had been proposed at the previous meeting that the Special Group should study the question of internal charges and revenue duties on tropical products. The secretariat had circulated a preliminary note on the subject for the

consideration of the Special Group comparing the situation regarding internal charges imposed on coffee, cocoa and tea in certain importing countries in 1962 and 1969 (COM.TD/W/121).

20. Some members of the Committee noted that the general pattern brought out in the secretariat note seemed to indicate that there had been some increase in certain internal charges since 1962. Others pointed out that despite the Ministerial Conclusions of 1963 and Article XXXVII:1(c), internal charges and duties continued to be applied on tropical products produced primarily in developing countries. Certain members recalled that the Ministerial Conclusions of 1963 had not been accepted by all contracting parties and in their view Article XXXVII:1(c) related only to measures applied specifically to products wholly or mainly produced in developing countries and not to measures of a more general nature.

21. After a further exchange of views it was agreed that the discussion would be continued in the Special Group on Trade in Tropical Products. The secretariat would in the meantime endeavour to verify and complete the data contained in the preliminary note in the light of comments received from delegations.

(c) Products to be given priority consideration

22. At the March meeting it was suggested that the Special Group should review the situation with regard to the six priority groups (coffee, cocoa, tea, vegetable oils and seeds, bananas and spices). In the case of vegetable oils and seeds, it had been agreed that the Special Group would not take up the problems affecting these items before the matter had been considered by the relevant working group of the Agriculture Committee. A note on recent activities in the tropical products field in other organs and agencies was circulated by the secretariat in COM.TD/W/120.

23. There was general agreement that a meeting of the Special Group on Trade in Tropical Products should take place in the second half of July to review the situation in regard to tropical products. In this connexion some members stressed the need for an early review in the Special Group of the situation in respect of vegetable oils and oilseeds in the light of the developments in the relevant group of the Committee on Agriculture. Some members suggested that the GATT should limit its work to those areas where GATT's rôle was clear and recognized, leaving other aspects of the problem, such as commodity agreements, to be dealt with by the FAO, UNCTAD and other competent bodies. The hope was expressed by some members that at the next meeting of the Special Group, developed countries would be prepared to give indications of concrete action they will take to alleviate the situation of developing countries.

V. Adjustment assistance measures

24. It was agreed that the Group of Experts should be convened in the autumn to review adjustment assistance measures on the basis of notifications which governments had been asked to furnish.

VI. Programme of work

(a) Review of the implementation of Part IV

25. The secretariat was requested to invite governments to submit information by 30 September 1970 on the implementation of Part IV to provide a basis for its annual comprehensive review.

(b) Special tariff studies

26. It was understood that the Committee would have an opportunity to discuss the Tariff Study, and in particular Tabulation III as soon as practicable after the Study had been finalized.

(c) Residual import restrictions

27. The Group on Residual Restrictions will meet either before or after the summer recess on a date to be fixed by the Chairman in consultation with delegations and the secretariat. The Group will take up items on the list established for priority consideration including any other items proposed by delegations.

(d) Tropical products

28. The Special Group on Trade in Tropical Products will meet in the second half of July to consider the problem of natural rubber, internal taxes and revenue duties, and review generally the situation in regard to the six priority groups. The exact date will be fixed by the Chairman of the Group in consultation with delegations. In the meantime, delegations will examine and verify the background notes prepared by the secretariat.

(e) Adjustment assistance measures

29. The Expert Group on Adjustment Assistance will meet after the summer recess.

(f) Work in other GATT bodies relevant to the activities of the Committee

30. The Committee will continue to follow the progress of work in the Committee on Trade in Industrial Products, the Agriculture Committee, and their respective sub-groups with a view to focusing attention, as necessary, on points of particular interest to the developing countries in the discussions in these bodies.