

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development

## PRESENT STATE OF THE KENNEDY ROUND OF TRADE NEGOTIATIONS

Statement by the Deputy Director-General at the Meeting  
on 19 October 1966

1. Mr. Chairman. It has become a regular feature of this Committee that I, as Chairman of the Sub-Committee on Participation of Less-Developed Countries in the Kennedy Round, give a brief account of activities within the current trade negotiations. Since active participants in these negotiations are informed about the progress and the problems of these negotiations, I shall not take up too much time reporting on details which I think are known to most delegations present. However, as has been pointed out by you in your introductory statement, and emphasized on this and other occasions by a number of delegations, the current trade negotiations constitute the mechanism through which a number of important industrialized countries have indicated that they intend to give effect to the commitments they have accepted in Part IV of the General Agreement. Since the administration of Part IV is the main concern of this Committee, obviously the way in which the Kennedy Round of trade negotiations develops must be for the time being a major concern also of this Committee. Not that it is within the mandate of this Committee to deal with the details or the techniques of the negotiations, but it does have the responsibility to concern itself with the extent and the way in which this opportunity to give effect to the provisions and objectives of Part IV is being used not only by the industrialized countries but also by the less-developed countries themselves.

2. You will recall that one of the major objectives agreed upon by the Ministers when the Kennedy Round of trade negotiations was launched, which was before the adoption of Part IV, was that every effort should be made within the trade negotiations to solve at least some of the major problems of the less-developed countries in the trade field. This, as you know, has been recapitulated in Part IV in a more general way. As you are also aware, the Trade Negotiations Committee, on the advice of the Sub-Committee on the Participation of Less-Developed Countries, has drawn up procedures for the participation of less-developed countries in accordance with the provisions of Part IV, which provides

that less-developed countries are not expected to give reciprocity in such negotiations. They are expected to make a contribution to the objectives of the trade negotiations but, as stipulated in Part IV, only to the extent not inconsistent with their own development, financial and trade needs. Against this background I think it is important and of interest to this Committee to consider the extent to which the opportunity which has thus been created is being used both by the less-developed countries themselves and by the industrialized countries.

3. The first point I should like to make in this connexion is the extent to which developing countries are participating in this exercise. There are about fifty developing countries which are contracting parties or are in the process of accession. Of these fifty developing countries, twenty-eight have indicated, in accordance with the relevant procedures, their intention to participate in the negotiations. Out of these twenty-eight countries, only twenty have tabled their statements of contributions. Out of these twenty, ten have indicated specific areas in which they could contribute in accordance with their own needs and interests. The remaining ten have given a general indication of the areas where they might consider making contributions. Further particulars concerning the figures I have given and the names of the countries involved can be found in document TN.64/73/Rev.3. I think this is a situation which calls for the attention of this Committee.

4. In discussions within GATT and elsewhere, scepticism has been expressed as to the possibilities of realizing the objectives of Part IV in the course of the Kennedy Round. This scepticism has sometimes been related to the length of time taken by the mechanisms of the Kennedy Round in bringing about the actual negotiations. This is an understandable frustration which is shared by all the parties to the negotiations. Reference has also been made to the inadequacy of the initial offers. Admittedly the exceptions to the general reduction tabled by some industrialized countries are significant and provide legitimate grounds for concern. While a judgment on their value on my part would be out of place, the fact remains, however, that the offers are substantial and unprecedented in dimension in the annals of international trade negotiations. The countries concerned have placed on record their willingness to improve on their present offers. The time has not yet, therefore, arrived for the evaluation of the final results of the negotiations. What is called for at present is vigilance and action, particularly concerted action.

5. What the developing countries should watch at present is the genuine risk of the benefit they stand to reap on the basis of the present offers being reduced. In a trade negotiation of the kind in which the GATT is engaged, the results in the final resort have to be balanced between the industrialized countries and must be mutually advantageous from their point of view. There is, therefore, a risk that if the negotiations are not conducted properly with the active participation of all concerned, some of the offers already presented could well disappear, some of which might be of direct interest and importance to developing countries.

6. A conclusion which can be drawn from this analysis of the present state of the negotiations is that real and worthwhile opportunities are present but these opportunities can only be realized through the concerted action of all the countries concerned, both developed and less-developed. The time which is available for carrying out this desirable stage of energetic negotiations is very limited indeed. I think it would be appropriate for me to recall in this Committee the basic agreement concerning the time-table which was reached by the Trade Negotiations Committee last July. The Trade Negotiations Committee agreed to the proposal of its Chairman that the period beginning after the summer recess should be directed towards building up a position of maximum negotiating opportunities which would provide the basis on which each participating government could, by the middle of November, reach an assessment against which it could re-consider its initial negotiating position. The fruits of this assessment and reconsideration would then be shared with the other negotiators so that by, say, end of November governments would be in a position to consider against a comprehensive background the negotiating instructions with which to equip their negotiators for the final bargaining stage which should start around the middle of January.

7. Mr. Chairman, as I said earlier, the time available for the considerable amount of work which has to be undertaken is short. The real negotiations began only after the summer recess and have been going on for a few weeks, which is an additional reason why it is premature to try to reach judgment as to the likely final result. It is not too late, however, to consider and make sure that appropriate procedures are followed in order to make full use of the limited time available. The Sub-Committee on the Participation of Less-Developed Countries considered this problem last week, and decided on a number of procedural arrangements designed to bring about the maximum results within the time-table to which I have referred.

8. I should like briefly to refer, without going into details, to the decisions taken by the Sub-Committee on the Participation of Less-Developed Countries. The secretariat was instructed to draw up, on the basis of requests from individual participating governments, both developed and less-developed, a schedule of bilateral negotiations, the purpose being to utilize efficiently the limited time available and to ensure that contacts between participating countries were brought about with the minimum of delay and difficulty. It was further agreed that the developing countries should submit their desiderata - their requests in regard to elimination of existing exceptions to the linear reduction, the granting of cuts deeper than 50 per cent, the advance implementation of concessions for imports from developing countries, etc. The less-developed countries also undertook to specify more clearly their own contributions. The developed countries, on their side, undertook to make clear their requests or suggestions regarding the contribution of the less-developed countries. They also agreed to co-operate actively and positively in the bilateral negotiations. It was further agreed that the written statements of requests and desiderata of the developing countries and the further indications of their contribution to the objectives of the negotiations should be sent to the secretariat. This would enable the drawing up, for each of the developing countries, of consolidated lists of specific requests and desiderata in regard to the three main points to which I have referred. Only in this way will it be possible to obtain from the developed countries the answers and the decisions which are incumbent upon them, and which they are called upon to make over the winter months in order that active negotiations based upon new instructions may be started in the month of January 1967.

9. Finally, Mr. Chairman, it follows from the outline of the time-table which I have given that the meeting of this Committee in Uruguay in the early part of 1967 will provide an important opportunity for a review of the situation which exists at that time and to give such impetus to the final phase of negotiations as may be necessary. This Committee, therefore, has an important rôle to play. Its most important responsibility is to ensure that the existing opportunities are in fact used. It would indeed, Mr. Chairman, be a great pity if at the end of the day an unsatisfactory outcome to the Kennedy Round is ascribed to a lack of will and energy on the part of those who should benefit importantly from these negotiations.