

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

COM.TD/W/101/Add.1
4 June 1969

Limited Distribution

Committee on Trade and Development
Fourteenth Session

THE OPERATION OF PART IV: MATERIAL FOR EXAMINATION

Addendum

Some developing countries have taken advantage of the presence of their permanent missions in Geneva to exchange views on this subject. The following note summarizes the views expressed in regard to the approach that needs to be made to the examination of the provisions of Part IV and in regard to the specific questions that require consideration. It is being circulated as an addendum to the secretariat paper COM.TD/W/101 at the request of these developing countries.

1. The approach to the implementation of the Conclusions of the twenty-fifth session of the CONTRACTING PARTIES in respect of Part IV should be with reference to principles and objectives of GATT in the field of trade and development as elaborated in Article XXXVI and commitments specified in Articles XXXVII and XXXVIII.
2. An analysis of the experience of the operation of Part IV is necessary in order to form a judgement whether or not the contracting parties have been making a conscious and purposeful effort to give effect to the principles and objectives set out in Article XXXVI.
3. A clause-by-clause analysis, with reference to experience, of the implementation of Article XXXVII, along the following lines, inter alia, would be desirable:
 - (a) In the light of the report of the Ad Hoc Group on the results of the Kennedy Round for developing countries, to draw suitable guidelines to enable the contracting parties fully to implement the commitments set out in Article XXXVII:1(a), namely, "to accord high priority to the reduction and elimination of barriers to products ... of particular export interest to less-developed contracting parties";
 - (b) To suggest steps to be taken for expediting studies on specific tariffs, differential and peak duties affecting exports of developing countries and the identification of non-tariff barriers of more particular concern to the developing countries;
 - (c) To examine to what extent the absence of legal authority on the part of one developed contracting party is an impediment to the taking of action by others.

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4. It would also be useful to continue the analysis with the following:

- (a) To examine what further steps the contracting parties should take individually, or jointly, for full implementation without phasing of tariff concessions negotiated on products of interest to developing countries.
- (b) To make an analysis of all reasons underlying maintenance of residual import restrictions by certain developed contracting parties and examine, in those cases in which legal reasons are invoked, whether these are of a mandatory character.
- (c) To examine the manner in which the standstill provision of subparagraphs 1(b) and 1(c)(i) have been implemented, particularly in the light of experience of United Kingdom surcharge, French trade measures and the United Kingdom import deposit scheme.
- (d) To examine various measures taken in regard to adjustments of fiscal policies in developed countries and analyze the extent to which subparagraph 1(c)(ii) has been implemented, i.e. whether and to what extent, during the course of any adjustment of fiscal policy opportunity was utilized for eliminating or reducing measures that might effect the consumption of products, wholly or mainly produced in developing countries.
- (e) To study difficulties, if any, experienced by developing countries in respect of the provisions of paragraph 2 of Article XXVII for joint consultations; and particularly, examine factors mitigating against resort to special procedures for the invoking of Article XXIII by developing countries.
- (f) To analyze "other measures" adopted by individual contracting parties to provide greater scope for the development of imports from less-developed contracting parties and also whether in applying several measures of support to their domestic production, developed contracting parties have given special regard to the trade interest to developing countries.
- (g) To examine specifically certain sectors of particular interest to developing countries, e.g. cotton textiles, processed and semi-processed tropical products, oilseeds and vegetable oils.
- (h) To consider ways and means of broadening approaches to the implementation of Part IV. In the work of such GATT bodies as the Committee on Trade in Industrial Products, the Working Party on Border Tax Adjustments and the Agriculture Committee, questions of the incidence of non-tariff barriers on the exports of developing countries should be examined specifically in the light of Part IV.