

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Committee on Trade and Development

## EXAMINATION OF THE OPERATION OF PART IV

### Check-List of Points for Discussion

The present paper sets out the points made in the statements submitted by contracting parties (COM.TD/W/97 and Add.1-7) and in the oral statements made during the discussion of this subject at the fourteenth session. (This was originally circulated in draft form as Spec(69)73. Some modifications have been made to take account of additional points made during the discussion.) It should be read in conjunction with the earlier secretariat note COM.TD/W/91 in which an analysis was made of the significance and the experience of the implementation of Part IV provisions, as well as the paper circulated in the name of some developing countries in COM.TD/W/101/Add.1.

#### A. PRINCIPLES AND OBJECTIVES

1. The provisions of Articles XXXVII and XXXVIII are insufficient in relation to the principles and objectives set forth in Article XXXVI.
2. Developed countries do not seem to have made a "conscious and purposeful effort" to give effect to the principles and objectives set out in Article XXXVI, as required by paragraph 9 thereof.
3. The principle of non-reciprocity in trade negotiations and renegotiations between developed and developing countries does not seem to have been followed in some cases.
4. A developed country has applied an anti-dumping duty against a developing country on the basis of arbitrarily determined prices, and another developed country's State monopoly has refused to make purchases from a developing country. In the view of the developing country concerned these are not in accordance with the provisions of Article XXXVI:5.

B. ARTICLE XXXVII COMMITMENTS

5. Developed countries do not seem to have given high priority to the action required of them under Article XXXVII:1. The Kennedy Round provided only limited benefits for developing countries (reductions on products of interest to developing countries fell far short of the linear reduction rate, many products of interest to them were excluded, quantitative restrictions were untouched, internal fiscal charges were not negotiated, etc.).
6. One developed contracting party has referred to the lack of legal authority as a reason for not taking more action under Article XXXVII:1. To what extent the absence of legal authority on the part of one developed country should impede action by others?
7. The standstill provisions in Article XXXVII:1 have not been fully observed in some cases.
8. Import duties on products of interest to developing countries have not been sufficiently reduced; differential tariffs between processed and unprocessed products remained disproportionately high.
9. Problems created for developing countries by specific duties, differential and peak duties should be further studied and dealt with.
10. Kennedy Round concessions of interest to developing countries should be given advance implementation as soon as possible and not later than the end of 1969.
11. Tariffs of developed countries should be restructured to facilitate the granting of concessions to imports from developing countries.
12. Target dates should be set for the removal of residual import restrictions; the New Zealand proposal should be adopted. Alternatively, a time-table should be drawn up by the Committee on Trade and Development for the removal of such restrictions and other non-tariff barriers affecting developing countries' exports.
13. Where import restrictions affecting exports of developing countries are maintained on the ground that they are required by "existing legislation" the mandatory nature of the legislation should be examined.
14. The Cotton Textile Agreement, which legalizes trade barriers in contradiction to Part IV, should be discontinued. Similar arrangements should not be instituted for other textiles.
15. Contracting parties with centrally-planned economies should undertake to allocate specific proportions of their imports for suppliers in developing countries.

16. Certain measures taken by developed countries in the fiscal field should be analyzed to ascertain whether sub-paragraph 1(c)(ii) of Article XXXVII has been observed.
17. Import surcharges, import deposit requirements etc., introduced or maintained by developed countries should not be applied to imports from developing countries.
18. Developed contracting parties have not given sufficient consideration to the adoption of "other measures" as required under Article XXXVII:3(b) to provide greater scope for the development of imports from developing countries.
19. A developed country applies a number of measures of embargo on trade with a developing country which, in the view of the latter, constitute infringements of Part IV provisions.

C. PROCEDURAL MATTERS AND JOINT ACTION

20. The review of implementation regularly carried out in the Committee on Trade and Development should move beyond the stage of general discussion to one of consideration of concrete action through the use of the procedures of Article XXXVII:2.
21. The procedures for consultation in Article XXXVII:2 should be examined and ready recourse to those procedures should be encouraged so as to explore ways and means of solving problems through concerted action.
22. The Committee on Trade and Development should establish a subsidiary body to initiate, organize and carry out consultations under Article XXXVII:2.
23. The Conclusions of the twenty-fourth and twenty-fifth sessions should be fully implemented. It is difficult to pass judgment as to whether Part IV is being satisfactorily implemented until this work has reached a more advanced stage.
24. Provisions of paragraph 7 of the Conclusions of the twenty-fourth session (L/3155) should be more fully implemented in that the Agriculture Committee and the Committee on Industrial Products as well as other GATT organs should be urged to give more urgent attention to problems of developing countries. The strengthening of the Special Group on Tropical Products is welcome.

25. A non-discriminatory scheme of general preferences in favour of developing countries should be adopted. Developed countries should submit offer lists for this scheme as soon as possible. The realization of this scheme will contribute considerably to the solution of the trade problems of developing countries.
26. Trade negotiations among developing countries should be given full support and should cover all sectors of trade.
27. The failure of certain developed countries to participate in the International Sugar Agreement may involve inconsistencies with certain Part IV provisions.
28. With reference to the reservations made by developing countries during the Kennedy Round, arrangements should be made for examining the problems of those countries with a view to enabling them to consider subscribing to the Anti-Dumping Code.
29. The contribution that may be made by trade promotion and work in the International Trade Centre to the solution of export problems of developing countries should be further explored.
30. A more flexible attitude should be adopted in regard to the concept of joint action as provided for in Article XXXVIII.
31. Advanced countries, in affording technical and financial aid to developing countries, should also assist the latter to expand their exports of manufactured and semi-manufactured products.
32. In order to improve the effectiveness of various intergovernmental organizations in dealing with trade and development problems the utmost care should be taken in sharing out tasks among them.