

GENERAL AGREEMENT ON TARIFFS AND TRADE

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PARTICIPATION BY DEVELOPING COUNTRIES IN THE TRADE NEGOTIATIONS

Note by the Secretariat

As indicated in the secretariat note COM.TD/W/166, following discussions in the Council meeting held on 7 March 1972 the Committee on Trade in Industrial Products and the Agriculture Committee Working Group on Techniques and Modalities are currently examining alternative techniques and modalities for trade negotiations directed towards reduction or elimination of tariffs on industrial products and solutions for problems in the field of non-tariff barriers and of agriculture. These two bodies are also expected to carry out an analysis of the techniques and modalities necessary for the participation of the developing countries in the negotiations and thus to provide a forum for the presentation and discussion of proposals that will meet the interests and concerns of developing countries. It is the intention that the work on techniques and modalities should be completed before the next session of the CONTRACTING PARTIES. The Council has noted that the attention of non-GATT developing countries should be drawn to the preparatory work in these bodies so that they would have the opportunity to associate themselves with this work if they so wish.

The Committee on Trade in Industrial Products has further agreed to the preparation of a study by the secretariat bringing out the implications for the trade of developing countries of different techniques for action with respect to tariff and non-tariff barriers, having regard to the trade structure of developing countries and the existence of the Generalized System of Preferences. To this end, the secretariat is preparing an empirical analysis of the main approaches discussed at the June meeting of the Committee on Trade in Industrial Products for further discussion in the Committee:

It may also be noted that in addition to the consideration given in the Industrial Committee to the techniques that may be applied to the solution of problems with respect to non-tariff barriers, work has been going on in a number of Groups for the working out of ad referendum solutions on individual type of barriers.

It is to be expected that once the examination of different working hypotheses has been completed in the Committee on Trade in Industrial Products and the Agricultural Committee Working Group, the stage would have been reached for a common understanding on the range of measures that might be covered by these negotiations and the ground rules or principles on which they might be based. This may be expected to include an understanding also on the categories of non-tariff

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barriers that might be covered by the negotiations, the kind of arrangements that might be attempted in relation to these various categories of barriers and the incorporation within the framework of the negotiations in cases where they have not already been put into effect, of the ad referendum solutions that have already been or are being worked out in the field of licensing, valuation, standards, export subsidies, import documentation, consular formalities and packaging and labelling.

It is also to be expected that, once the discussions have produced a consensus on what the 1973 negotiations could or should achieve, the CONTRACTING PARTIES would be in a position to envisage a time-table for the commencement of the substantive negotiations, the detailed working procedures that may need to be elaborated and any ad hoc negotiating machinery that may need to be set up.

While the detailed examination and evaluation of techniques and modalities for the participation of developing countries in the negotiations is in this preparatory phase taking place in the Industrial and Agriculture Committees, under this agenda item the Committee on Trade and Development might wish to exchange views of a general character on any point relating to the participation of developing countries in the negotiations and the action that might be taken to ensure that these countries secure effective benefits from the negotiations.

The Group of Three has emphasized the need for assistance to developing countries from the secretariat, both when the techniques and modalities for the negotiations are worked out and the ground rules discussed and during the negotiations themselves. As indicated earlier the technical assistance provided for these negotiations by the secretariat is geared to the preparatory work undertaken in the main Committees. In this connexion the secretariat is also drawing upon the information that has already been collected in the course of the work on non-tariff barriers in such bodies as the Joint Working Group on Import Restrictions, the Group on Residual Restrictions and the Special Group on Trade in Tropical Products and other bodies to list the main problems identified by developing countries as affecting their exports to various markets and to facilitate their further analysis.

Following the decision taken at the last session of the CONTRACTING PARTIES and with the objective of assisting developing countries to examine negotiating approaches and techniques in the light of their trade interests, the secretariat is continuing to compile data that would enable it to furnish to individual countries on request information on tariff and non-tariff barriers affecting their exports to individual developed country markets. Briefly, the tabulations, which will be broken down to BTN tariff headings and individual tariff lines, will show trade values of the developing country concerned with each of the fifteen developed countries covered in the GATT Tariff Study files and will indicate the most-favoured-nation duties and non-tariff barriers maintained on each product as well as the position with respect to the treatment of the product under the GSP. The complete data bank for this information will be ready with the secretariat once the Tariff Study files have been up-dated to the year 1970.