

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Group of Experts on Trade and Aid Studies

INTERIM SECRETARIAT NOTE ON THE MEETING OF THE GROUP OF EXPERTS ON TRADE AND AID STUDIES FROM 1 to 6 JULY

1. The Committee on Trade and Development established, at its meeting in March 1965, a Group of Experts to examine the secretariat's development plan studies.¹ The Group examined the secretariat's study on Nigeria on 1 and 2 July and that on Uganda on 5 and 6 July.
2. The Director-General, and, in his absence, Mr. M.G. Mathur of the secretariat, was Chairman of the meeting which was attended by experts, in addition to those of the countries being studied, from:

Federal Republic of Germany	Netherlands
India	Sweden
Israel	United Kingdom
Japan	United States

The following organizations were also represented:

The Commission of the European Economic Community
Food and Agricultural Organization
Internationl Bank for Reconstruction and Development
International Coffee Organization
International Monetary Fund
Organization at Economic Cooperation and Development

3. For its meeting the Group had before it the following documentation:

	<u>Nigeria</u>	<u>Uganda</u>
Study	COM.TD/G/W/1	COM.TD/G/W/3
Secretariat Note	COM.TD/G/W/4	COM.TD/G/W/5
List of topics for consideration	INT(65)383	INT(65)385

¹See L/2410, page 6, which also contains the Group's terms of reference.

4. The Group agreed that its present examination of the two studies be regarded as of a preliminary nature only, and that it should meet again for further discussions at a later date, when it will be able to reach conclusions and formulate recommendations on the issues presented.

5. The object of this note is to provide a short account of the major points discussed by the experts. A fuller record of the discussions of the Group will be available for its next meeting.

6. At the outset of the meeting, the Director-General emphasized the considerable importance he attached to the GATT programme of country studies which was an integral part of the activities of the Committee on Trade and Development. He said that the studies aimed at facilitating a comparison of the country's actual with its potential export capacity; such a comparison would make possible the identification of the main obstacles to the fuller realization of the country's export potential. In inviting the Group of Experts to review the studies, the GATT had provided a forum for fruitful discussions between the planning authorities of the less-developed countries and their main trading partners. This should lead, not only to a more co-ordinated approach on the part of the latter countries to this problem but, eventually, when sufficient development plan studies had been completed, to an assessment of mutual compatibility among the national plans of the less-developed countries which was a very important pre-condition for obtaining a lasting improvement in their terms of trade.

7. In his opening statement¹, the Nigerian expert said that a number of suggestions made in the GATT study were under consideration by the Nigerian authorities. The points would be borne in mind in the review of the existing plan; they were also regarded as being particularly useful in the context formulating the second National Development Plan. He drew the Group's attention to the particularly rapid development of the Nigerian petroleum industry and said that its effect on the economy would be far greater than that anticipated at the time when the GATT study was in preparation. He felt that the GATT had a positive rôle to play, as far as export production, marketing and trade problems, were concerned.

¹Reproduced as COM.TD/G/3.

8. The Group discussed the extent to which the Nigerian Plan's objectives for investment had been fulfilled, and the problems confronting the Nigerian Government in obtaining aid in the public sector and private capital. It also considered the different development strategies open to Nigeria in its development efforts, and, in relation to these, the problems associated with population increase, employment opportunities, and the shortage of skilled manpower.
9. The experts discussed Nigeria's present and future foreign exchange position with particular reference to factors affecting the growth rate of Nigeria's imports including income redistribution and wage increases. There was also discussion on the effects of trade barriers to Nigeria's actual and potential exports, the desirability of promoting trade between developing countries and the importance of improved marketing techniques to the development of Nigerian exports. The Group also discussed problems relating to price stability for Nigeria's export commodities.
10. The Uganda expert dealt with the constraints imposed by the shortage of capital and skilled manpower and the steps his Government was taking to overcome these problems. Experts noted the present reliance of the Uganda economy on exports and particularly exports of cotton and coffee. They discussed the means by which Uganda could achieve diversification in both the agricultural sector and through an expansion of manufacturing activity and the rôle of government and private enterprise in this process. They discussed the present reliance of the Uganda Government on revenues derived from export taxes imposed on coffee and cotton and alternative sources of taxation. As regards trade, they considered specific problems and future prospects in the marketing of Uganda's major export crops and the importance of the East African market. The Group also considered the effects of trade barriers on Uganda's present and potential exports and discussed the means of promoting trade between developing countries and, in this connexion, questions relating to measures of facilitating the exchange of information on production and export plans of developing countries.