

GENERAL AGREEMENT ON TARIFFS AND TRADE

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REPORT OF THE COMMITTEE ON TRADE AND DEVELOPMENT TO THE CONTRACTING PARTIES

INTRODUCTION

1. Since the thirty-sixth session of the CONTRACTING PARTIES in November 1980, the Committee on Trade and Development has held three meetings, comprising its forty-third, forty-fourth and forty-fifth sessions. In the absence of the Chairman H.E. Mr. Oluyemi Adeniji (Nigeria) who chaired the forty-third session of the Committee, H.E. Mr. F. Jaramillo (Colombia) chaired the forty-fourth and forty-fifth sessions.
2. The forty-third session took place in March 1981. At that session, the Committee reviewed developments in international trade having a bearing on the trade and payments position of developing countries. In regard to its work on trade liberalization, the Committee had before it a number of background documents dealing with certain tropical products included in the indicative list annexed to COM.TD/W/319. There was also available a secretariat note, prepared at the request of the Committee on Tariff Concessions, entitled "Measurement of Tariff Escalation" (TAR/W/18). The Committee exchanged preliminary views on this documentation considering, among other things, how work in these areas might proceed. There was also further discussion on possibilities for the advance implementation of MTN tariff concessions applying to products of interest to developing countries. The Committee took note of the Report of the Working Party on Structural Adjustment and Trade Policy to the Council (L/5120) including proposals for the future work of GATT in this field contained in the Annex to that report. It adopted the report containing the proceedings of the first meeting of the Sub-Committee on Trade of Least-Developed Countries, which was circulated as COM.TD/LLDC/1. In addition, it took note of information provided by contracting parties on actions taken by their governments in relation to the implementation of Part IV and the operation of the Enabling Clause. A note on proceedings of this meeting of the Committee was circulated as document COM.TD/107.
3. At its forty-fourth session in July 1981, the Committee carried out a mid-term review of the implementation of Part IV and the operation of the Enabling Clause on the basis of a secretariat background note (COM.TD/W/336), when a number of delegations provided details of certain

actions relevant to the implementation of Part IV and the operation of the Enabling Clause taken by their governments. In this connexion, there was a preliminary exchange of views in the light, inter alia, of the provisions of the Enabling Clause Decision on actions by some donor countries to modify or withdraw GSP treatment applying to specific products imported from certain developing countries. The Committee adopted the report of the third meeting of the Sub-Committee on Protective Measures (COM.TD/SCPM/3). With regard to work on trade liberalization, the Committee had before it additional secretariat studies on tropical products and a listing of available information on quantitative and other import restrictions affecting the exports of developing countries (COM.TD/W/338). On the basis of the documentation, the Committee exchanged views on the possibilities for making progress in its work in these areas and also on the procedures that might be followed for this purpose. There was further discussion of an appropriate approach to work on tariff escalation having regard to the fact that the Committee on Tariff Concessions also had this question under consideration at the technical level. A note on the proceedings of this session was circulated as document COM.TD/108.

4. For its forty-fifth session held on 12 and 13 November 1981, the Committee had on its agenda, (i) the annual review of implementation of Part IV and operation of the Enabling Clause; (ii) the report of the Sub-Committee on Protective Measures on its fourth meeting; (iii) review of developments in international trade; (iv) work on trade liberalization; (v) technical assistance to developing countries; (vi) Sub-Committee on Trade of Least-Developed Countries; and (vii) expansion of trade among developing countries. An annotated provisional agenda was issued as document COM.TD/W/356 and a list of background documents prepared for the meeting of the Committee was made available in COM.TD/W/357. A report of the discussions on the above agenda items is contained in the following paragraphs.

REVIEW OF IMPLEMENTATION OF PART IV AND
OPERATION OF THE ENABLING CLAUSE

5. For its annual review of the implementation of Part IV and the operation of the Enabling Clause, the Committee had before it notifications of actions relevant to Part IV and the Enabling Clause provided by a number of contracting parties and reproduced in document COM.TD/W/347 and Addenda. It also had available secretariat document COM.TD/W/355 and Addendum containing certain additional information on commercial policy measures taken by governments and on matters which generally appeared to have some relevance to the provisions of the Enabling Clause, as well as on developments in other bodies of GATT including with regard to the implementation of the various MTN agreements, and on certain activities in other international organizations since the session of the Committee held in July 1981.

6. A number of delegations of developing countries noted with appreciation improvements in the GSP schemes of some donor countries and the added security provided as a result of the extension of these schemes for a further period. The representative of the United Kingdom speaking on behalf of Hong Kong expressed appreciation for the inclusion of Hong Kong in the Norwegian scheme of preferences, although Hong Kong had been

excluded from GSP benefits with respect to certain products. The representative of Indonesia expressed appreciation for the inclusion of Indonesia in the GSP scheme of the United States and the observer from Thailand expressed appreciation for the inclusion of his country in the GSP scheme of Hungary.

7. The representative of Canada informed the Committee that it was the intention of his authorities to extend duty-free treatment to imports from least-developed countries of products covered by the Canadian GSP scheme. It was also intended to adopt rules of origin with a lower local content of 40 per cent for least-developed countries. These changes would be notified to GATT as soon as Parliamentary and administrative procedures had been completed.

8. With regard to the implementation of Part IV and the operation of the various MTN agreements, the representative of a developing country suggested that the Committee should develop a systematic approach, including the provision of adequate data, in order that it may examine how far the provisions of Article XXXVII were being fulfilled in the light of the principles and objectives set out in Article XXXVI and to consider whether there was need for joint action under Article XXXVIII. This representative also referred to the concern among developing countries that the various MTN agreements were not being implemented with sufficient flexibility so as to bring tangible benefits to their countries. There was also concern that full reciprocity was often being sought from developing countries in the process of their accession to the codes despite the objective of differential and more favourable treatment for developing countries which was an important feature of the Tokyo Round. He suggested that these matters should be examined by the Committee in the light of the provisions of Part IV and those of the Enabling Clause with a view to suggesting more appropriate approaches.

9. Representatives of a large number of developing countries expressed their deep concern at the arbitrary and discriminatory manner in which, in their view, certain donor countries were operating their GSP schemes. In this connexion, these delegations considered that the exclusion of products exported by their countries from the GSP schemes of these countries on grounds of so-called "graduation" was inconsistent with paragraph 2(a) of the Enabling Clause, particularly in the light of footnote 3 which related to the establishment of "generalized, non-reciprocal and non-discriminatory preferences beneficial to the developing countries". Reference was also made to paragraph 3(c) of the Enabling Clause which required modifications to GSP schemes to respond positively to the development, financial and trade needs of developing countries. These representatives expressed the view that the exclusion of products from certain beneficiaries from GSP treatment appeared more likely to benefit domestic suppliers in the donor country and other developed country suppliers than the exporters in other developing countries. Because of its importance to all developing countries, it was suggested that the Committee should deal with the matter so that products of interest to developing countries were not excluded from GSP schemes inconsistently with the provisions of the Enabling Clause.

10. In this connexion, these representatives suggested that the Committee might consider how the concepts of transparency and objectivity could be

dealt with and the element of uncertainty removed from GSP schemes. Any exclusion of a product should be based on objective criteria that should be transparent and predictable. It was suggested that consultations might take place among delegations, with the good offices of the Chairman, with a view to determining how the Committee could take up this matter. These representatives also stressed the importance of continuing efforts to improve the product coverage and depth of tariff cuts under GSP schemes, especially in the current economic circumstances of most developing countries. In addition, they emphasized the importance of liberalizing and harmonizing rules of origin.

11. The representative of Brazil stated that, as foreshadowed at the last session of the Committee, his delegation had held consultations with the delegations of the European Communities and the United States under the relevant provisions of the Enabling Clause in connexion with the exclusion of certain products when imported from his country from the GSP schemes of these countries. No progress had been made in these consultations and no indications had been given of any objective criteria for such exclusions. He felt that the exclusion of products in the absence of any objective criteria represented a discriminatory action on the part of these two countries. As at the last session of the Council, his delegation reserved the right to have recourse to the appropriate mechanisms in GATT, in particular under the terms of the Enabling Clause. The representative of the United Kingdom speaking on behalf of Hong Kong said that his delegation had also held consultations with the United States on the same question without any positive results. His delegation accordingly reserved its rights under paragraph 4(b) of the Enabling Clause.

12. The representative of the United States said that his authorities held the view that the Generalized System of Preferences was unilateral, non-reciprocal and non-contractual. During bilateral consultations, it had been indicated that particular product groups had reached a level of competitiveness which was not only above that of corresponding industries in other developing countries but in many respects above that of those same industries in developed countries, and even in the United States; it was for this reason, that some products from certain beneficiaries had been withdrawn from GSP treatment. Such action in the view of the United States, was neither arbitrary nor discriminatory. With regard to the application of paragraph 4(b) of the Enabling Clause, the United States considered that their obligations under the Enabling Clause had been met. He added that the United States had recently begun its 1981 annual product review of the US GSP program and was currently considering petitions requesting modifications in product coverage. Of the 103 petitions accepted for review, 85 involved requests to have products added to the GSP list, three involved requests for product removals and 15 involved graduation requests affecting one or two countries.

13. The representative of the European Communities, in also underlining the unilateral, non-reciprocal and non-contractual nature of the Communities GSP scheme, said that there had been no exclusion of either products or beneficiary countries from the scheme. As indicated in the consultations, which had been considered useful, the operation of the Communities GSP scheme had been improved and simplified; it had also become more transparent and provided more security as a result of the

establishment of country quotas. He believed that the European Communities had fulfilled their obligations under paragraph 4(b) of the Enabling Clause. He reserved the European Communities position on the interpretation of the provisions of the Enabling Clause.

14. The representative of New Zealand said that under the New Zealand GSP scheme preferences had been given as far as practicable on all categories of goods, including agricultural products. A recent analysis showed that 98 per cent of his country's trade with beneficiary countries was covered by the scheme or was duty-free. The rules of origin were simple to comply with and for the present, the New Zealand GSP scheme did not differentiate among beneficiary countries. While the scheme had been revised from time to time in the past, it was in the nature of things that future reviews could not be ruled out and that no relevant issue such as differentiation could be excluded from consideration. New Zealand's capacity to offer opportunities for the trade of developing countries depended in large part on the trading opportunities provided by the international trading community to New Zealand. In the context of the New Zealand Government's own economic strategy, consideration might have to be given to the need for broad changes in the New Zealand tariff. At this stage, it was not possible to foresee the outcome of such a review, although as far as differentiation was concerned, practical questions and the overall international context would be important factors in determining the approach.

15. The representative of Australia expressed the view that while the Enabling Clause did not mention the concept of graduation, it did not proscribe action on this basis. He drew attention to paragraph 7 of the Enabling Clause which dealt with the fuller participation of developing countries in the framework of rights and obligations under the General Agreement consistently with the progressive development of their economies and improvement in their trade situation. He expressed understanding of the concerns of the developing countries regarding transparency and objective criteria. In connexion with proposals for greater harmonization of rules of origin, he said that moves in that direction might create problems particularly since the Australian rules of origin were relatively easy to comply with.

16. The observer from a developing country, in expressing appreciation for assistance by developed countries to developing countries in the field of export promotion, urged one developed country to supplement its assistance by the establishment of an office for the promotion of imports from developing countries, a measure which had been put into effect by a number of developed countries.

17. In summing up the discussion, the Chairman said that there had been a useful exchange of views on the implementation of Part IV and the operation of the Enabling Clause. The Committee had taken note of a proposal that consultations might be held among interested delegations with a view to ascertaining how contracting parties could make greater use of Part IV and increase its effectiveness. The Committee had also taken note of the comments made with respect to the implementation of the Enabling Clause, particularly in relation to the Generalized System of Preferences and the consultations that had been held. In this context, some delegations had

underlined the importance of the application of objective criteria and transparency in relation to the operation of the GSP schemes as well as of the Enabling Clause.

REPORT OF THE SUB-COMMITTEE ON PROTECTIVE MEASURES

18. The Committee had before it in document COM.TD/SCPM/4, the report of the fourth session of the Sub-Committee on Protective Measures held on 2 and 4 November 1981. In introducing the report of the Sub-Committee on behalf of its Chairman H.E. Mr. K.G.A. Hill (Jamaica), the representative of Jamaica said that the Sub-Committee had continued to carry out its task of examining protective actions by developed countries against imports from developing countries in accordance with the Decision of the CONTRACTING PARTIES of 28 November 1979 on this subject and the procedures drawn up for this purpose by the Committee on Trade and Development and the Sub-Committee itself. One of the features of the Sub-Committee's work had been the greater degree of transparency relating to protective measures affecting the trade of developing countries that it had afforded. The representative of Jamaica recalled Ambassador Hill's remarks on the occasion of the presentation of the second report of the Sub-Committee to the effect that, if the Sub-Committee was to continue to work effectively, both the countries applying any new measures and those affected by protective measures must remain conscious of their notification responsibilities. Likewise, there would continue to be the fullest cooperation between the secretariat and delegations in ensuring the accuracy of information that the secretariat obtained from official sources available to it. She added that a number of delegations had expressed certain views regarding the legal status or purpose of particular types of measures and the competence of the Sub-Committee with regard to them. In this connexion, it seemed to its Chairman that the Sub-Committee could best serve a useful role by making a cooperative and pragmatic approach to the information available in a manner which did not prejudice the position of any contracting party.

19. Representatives of a number of developing countries emphasized the importance they attached to the work of the Sub-Committee. They noted that the Sub-Committee continued to be a useful body. The representative of a developing country said that the fact that a measure could also be taken up in another GATT body should not exclude it from examination in the Sub-Committee. The Sub-Committee had been established in response to UNCTAD resolution 131(v). It should examine measures having regard to Part IV but was not required to look at measures in terms of their legality under GATT provisions in general. He emphasized that the work of the Sub-Committee needed the full cooperation of all countries. In his view, the Sub-Committee also had an important role to play as an early warning system in regard to possible protective measures.

20. Referring to paragraph 26 of the Sub-Committee's report concerning an increase in the United States tariff on ethyl alcohol for fuel use, the representative of Brazil requested information on a bill which was being examined in the United States Congress that would have the effect, if enacted, of reducing or eliminating the tariff on this item. The representative of the United States confirmed that there was a bill to this effect and added that the United States Administration was favourably inclined towards it.

21. The Committee adopted the report of the fourth session of the Sub-Committee on Protective Measures, COM.TD/SCPM/4, and noted that it would be forwarded to the Council in accordance with the procedures decided by the CONTRACTING PARTIES relating to this matter.

REVIEW OF DEVELOPMENTS IN INTERNATIONAL TRADE

22. The Committee had before it, as background, the GATT annual report, International Trade 1980/81; Chapter IV of this report contained a summary of the main features of developing country trade in 1980. In addition, the secretariat in document COM.TD/W/346 had updated certain information relating to the trade and payments situation of developing countries as well as developments in commodity prices and briefly reviewed the situation with respect to the expansion of trade among developing countries.

23. Representatives of a number of developing countries said that the information made clear the generally depressed situation and outlook in the world economy and in the field of international trade. These representatives stressed that the position of oil importing developing countries was particularly vulnerable in this context. Their combined current account deficits had increased for the fourth consecutive year, to an estimated \$60 billion in 1981. These representatives also expressed concern about the decline in the terms of trade of many developing countries, especially as a result of the fall in prices of many primary commodities, including certain tropical products and non-ferrous metals, in the first half of 1981. They further pointed to the information contained in paragraph 6 of COM.TD/W/346 which suggested that the growth in exports of the oil importing developing countries, which had already slowed down markedly in 1980, had stagnated in the first half of 1981. They said that the combined effect of this and other developments, including the increasing indebtedness of certain developing countries and the difficulty of obtaining new loans together with prevailing high interest rates, was having a serious effect on the development programmes of a large number of developing countries; the slow down in the growth of these countries was generally more pronounced than it had been in the last economic recession in 1974/75.

24. Representatives of some developing countries expressed their appreciation for the far-reaching analysis presented in the GATT annual report and the Committee's document regarding the main problems of economic policy, especially as they related to the need for structural adjustment and the maintenance of the open trading system. They stressed the importance of resisting protectionism, and expressed concern about the increasing number of measures that were not overtly protective but fell into a "grey area" and were adversely affecting export opportunities. The view was expressed that action along the lines outlined in the report could help to overcome present economic difficulties, and would enable the import demand of the developing countries to continue to serve as a stimulus to world economic growth. Some representatives stated that more attention might be given in future analyses to the impact of transnational corporations on international trade and also to the problems of trade in the agricultural sector.

25. In drawing certain conclusions from their examination of the present trading situation of developing countries, some representatives of developing countries said that the large and increasing current account deficits of many developing countries underlined the importance of the Committee's work on trade liberalization and the need for progress towards this end. It was suggested that future reports by the secretariat might analyse the factors behind the increasing deficit of the developing countries in their trade in manufactures with developed countries as a basis for considering whether developing countries had adequate export opportunities and whether trade policy measures were inhibiting the expansion of their exports. Some of these representatives noted that there had been a tendency for the prices of commodities exported by developing countries to fall more than for those commodities exported by developed countries; they suggested that it might be useful to examine whether this was a long-term trend and if so the possible structural factors involved. It was also suggested that in future reviews under this agenda item, the Committee might attempt to identify persistent problems affecting the trade of developing countries, and as a subsequent step, to analyse the factors underlying them with a view to recommending ways in which the international community could attempt to deal with such problems.

26. With reference to the growing importance of intra-developing country trade as examined in COM.TD/W/346, some developing country delegations stated that it would be useful to consider in GATT how the potential for the further expansion of this trade could be utilized having regard to existing institutional mechanisms.

27. The representative of the Philippines drew attention to document L/5234, which contained a communication from her delegation on the import liberalization programme her country was implementing. The measures included extensive tariff reductions and the liberalization of import procedures over the period 1981-1985, covering some 75 per cent of Philippine imports including those from major developed country suppliers. This representative hoped that the actions of her country would be matched by initiatives by developed countries for the liberalization of trade in favour of the exports of her country and other developing countries.

28. In response to a request for clarification, the representative of the secretariat stated that the expression "new oil-exporting developing countries" covered those exporters not previously grouped as oil exporters, whose exports of oil and oil-based products accounted for 50 per cent or more of their total exports. The expression had been introduced with a view to making the secretariat analysis more meaningful. A number of delegations expressed their serious concern about the use of this expression and stated their wish that it not be retained in any future GATT report. The secretariat indicated that it would reflect on the observations made on this and other points.

WORK ON TRADE LIBERALIZATION

29. The Committee had before it secretariat studies on the commercial policy situation and trade flows for products listed in the annex to COM.TD/W/319 prepared in accordance with the Committee's agreement on this matter at its November 1980 session. Document COM.TD/W/348 listed these

studies and provided a synoptic picture of the commercial policy situation for the products covered. In regard to quantitative restrictions and other non-tariff measures, the Committee had before it COM.TD/W/338 and Corr.1 providing available information on import restrictions affecting the trade of developing countries. On the question of tariff escalation, the Committee had before it in document COM.TD/W/354 a note outlining the stage reached in the consideration of this matter in the Committee on Trade and Development and in the Committee on Tariff Concessions, referring to the decision of the latter body at its meeting on 19 October 1981 to request the secretariat to proceed with case studies with a view to assessing the feasibility of the suggestions on the measurement of tariff escalation made in paragraph 11 of document TAR/W/18.

30. Representatives of many developing countries expressed the view that the Committee had now sufficient background material to proceed to the next step in its work on tropical products and quantitative restrictions in accordance with the step-by-step approach adopted for this work. In their view, there was a need to review the documentation and update and revise it as necessary, and at the same time to engage in an exchange of views aimed at the clarification of measures in force, the identification of trade problems and the trade interests affected, and the examination of the scope for further action towards trade liberalization. They suggested that since such a process would be difficult to undertake in the Committee itself, plurilateral consultations might be organized and a Working Party be established to provide a framework for such consultations. A timetable and a calendar would need to be established for this work. Such a body could report to the Committee on Trade and Development so that the Committee could take stock of the situation and decide how work should be carried forward. The view was expressed that the Working Party would not need a specific mandate since the nature of its activities would flow directly from the Committee's own work programme. These representatives stressed the urgency they attached to moving forward with the work on trade liberalization in the Committee in the light of the deteriorating international economic situation, including declining prices of many primary commodities and the balance-of-payments problems of most developing countries. Such work, within an agreed time frame, should enable the Committee to provide a relevant input into the preparations for the Ministerial Session of the CONTRACTING PARTIES proposed for the end of 1982.

31. The representative of a country participating in the work of the Committee in an observer capacity by virtue of having participated in the multilateral trade negotiations, said that his delegation hoped that there would be no objection to its participating in the programme of work proposed, which could be regarded as a follow-up to the MTN.

32. Representatives of a number of developing countries, referring to recent unfavourable trends in commodity prices, especially in regard to non-ferrous metals, said that minerals and metals were also areas of special interest for the trade of many developing countries. They suggested that studies similar to those that had been carried out on tropical products should be undertaken in regard to minerals and metals of special interest to developing countries. Such studies should focus in particular on problems resulting from high rates of effective protection.

33. The representative of a group of developed countries, supported by representatives of some other developed countries, agreed that the Committee should engage in a process that would provide a basis for the proposed Ministerial meeting to address the problems of trade liberalization in the areas under consideration in the Committee. In commenting on the procedures suggested for pursuing the Committee's work, he expressed the view that, as problems and trade interests varied from product to product and from measure to measure, an appropriate way of proceeding would be to draw up a calendar of plurilateral consultations open to those countries with trade interests in the products under examination and other countries expressing particular interest. Such a process would be practical and flexible and permit a free exchange of views. He doubted that a Working Party, being somewhat formalistic in nature, would enable work to be carried forward expeditiously and effectively. One other of these representatives emphasized that all importing industrialized countries of the products concerned should participate in the consultations.

34. Representatives of some developed countries said that, while they would not stand in the way of a programme of plurilateral consultations, they felt that a process of informal consultations among interested delegations would have been a more productive way of proceeding and in this context referred to the Chairman's concluding remarks at the Committee's forty-fourth Session (COM.TD/108, paragraph 41). They doubted that a more formal process, such as the establishment of a Working Party, would facilitate progress.

35. The representative of the United States said that the US Government's principal authority to negotiate trade concessions expired on 3 January 1981, and that limited residual authority to negotiate tariff concessions under Section 124 of the Trade Act of 1974 would be expiring on 3 January 1982. However, an extension of this authority had been requested by the US executive branch from the US Congress, and a Bill (HR 4761) had been introduced in the US House of Representatives with a view to extending Section 124 authority for two additional years. A number of items on the Committee's indicative tropical products list annexed to COM.TD/W/319 were also on the US Section 124 list. Having received advice from the US International Trade Commission (ITC) on these items, his Government was now in a position to consider, at the request of individual developing countries, possible tariff negotiations under Section 124 on products of interest to them. Since it was not clear that US Section 124 authority would, in fact, be extended beyond 3 January 1982 and since the negotiation of a trade agreement could take some time, it would be in the interest of developing countries to indicate as soon as possible to the US Government products of interest to them.

36. In regard to tariff escalation, the Committee heard an oral report from Mrs. M'Bahia Kouadio (Ivory Coast), Vice-Chairman of the Committee on Tariff Concessions, on the deliberations of that body. She said that at its meeting held on 19 October 1981, and after further discussion of some of the issues involved, the Committee on Tariff Concessions had decided to request the secretariat to proceed with work on tariff escalation by way of case studies in regard to selected chains of production or product areas. These studies would be in the nature of pilot studies, which it was felt could, among other things, help to clarify some of the technical points

that had been raised. It had been noted that the secretariat would select one or two chains of production or products for the initial "pilot" studies in consultation with interested delegations taking into account the various comments and suggestions made relating to economic and technical criteria which appeared to be relevant. The Committee on Trade and Development would be kept informed of developments. She was confident that work in GATT on tariff escalation would now move forward positively and expressed the hope that the studies might enable all relevant trade measures impeding exports of products in more processed forms to be examined and assessed.

37. A number of delegations welcomed the decision of the Committee on Tariff Concessions to proceed with pilot studies and expressed the hope that the Committee on Trade and Development would soon have before it the first results of these studies.

Chairman's summing up

Programme of Consultations on Trade Liberalization

38. The Chairman, in summing-up the discussions on agenda item 4 dealing with the Committee's work on trade liberalization, noted the documentation that the Committee now had before it. Information with respect to commercial policy and trade flows for products listed in COM.TD/W/319 relating to work on tropical products had been made available and a synoptic picture presented in COM.TD/W/348. In the area of quantitative restrictions, COM.TD/W/338 and Corr.1 provided information that had been verified to the extent possible with the countries applying the measures listed. The secretariat intended to consolidate and where necessary update the material available in COM.TD/W/338 and Corr.1 in the near future so as to facilitate further work in this area.

39. It was noted that a number of delegations had requested that studies on minerals and metals of special interest to developing countries be undertaken.

40. There was a general view in the Committee that, in accordance with the step-by-step approach adopted for work on trade liberalization, the Committee should now move to a stage aimed at a more systematic identification and analysis of trade problems and examination of the possibilities for, and ways of, making further progress. To this end, it was felt that without prejudice to any bilateral discussions which might take place, plurilateral consultations should proceed without undue delay among delegations including the importing countries concerned and interested developing country suppliers in the areas of tropical products and quantitative restrictions to the extent possible on a product-group-by-product-group basis.

41. Accordingly, it had been agreed that, in consultation with delegations and the Chairman of the Committee, the secretariat might prepare a programme for plurilateral consultations which could be expected to be held in the first quarter of 1982. At its next meeting, the Committee could review the progress made on the basis of information provided on the consultations that had been held and consider how work on tropical products and quantitative restrictions might be carried forward. To this end, an informal record of the discussions held should be maintained by the secretariat.

42. In regard to tariff escalation, the Committee welcomed the decision of the Committee on Tariff Concessions to request the secretariat to proceed with work in this area by way of pilot studies on selected chains of production or product areas to assess the feasibility of the approaches suggested in TAR/W/18. The Committee noted that it would be kept informed of developments and thus have an opportunity to offer comments and observations on points of interest to it in connexion with its programme of consultations on trade liberalization.

43. A number of delegations had referred to the relevance of the Committee's work on trade liberalization to the preparatory work for the annual session at Ministerial level which had been proposed for the fall of 1982 and to the Committee being able to report suitably on the stage reached in its endeavours.

44. With respect to advance implementation of tariff concessions, it appeared that certain opportunities continued to exist for consultations between interested delegations on this matter. It was to be expected that delegations taking up such possibilities would, where appropriate, inform the Committee of any developments in this regard.

TECHNICAL ASSISTANCE

45. The Committee reviewed the technical assistance activities of the GATT secretariat on the basis of a secretariat note, COM.TD/W/350, briefly describing the main areas of technical assistance extended by the secretariat to developing countries since the last review in November 1980.

46. Delegations of many developing countries expressed their appreciation for the technical assistance extended by the secretariat in the field of trade policy relevant to the General Agreement. Reference was also made in this connexion to the importance of the GATT commercial policy training courses. It was stated that the technical assistance made available by the secretariat was particularly significant for countries that had small missions in Geneva, and for the least-developed countries, many of which did not have any permanent representation in Geneva.

47. Representatives of some developing countries expressed their intention to draw upon the technical cooperation resources of the secretariat in the future in connexion with the holding of seminars in developing countries and in Geneva. The need to maintain and enlarge the technical assistance facilities presently available was emphasized. The representative of a developing country suggested that the secretariat should not limit itself to responding to requests for technical assistance from developing countries, but should initiate work and undertake studies in regard to significant developments in the field of international trade affecting the interests of developing countries. Such work could enable the technical cooperation services of the secretariat to discharge more effectively their task of facilitating the effective participation of developing countries in the work of the GATT.

SUB-COMMITTEE ON TRADE OF LEAST-DEVELOPED COUNTRIES

48. The Committee had before it the note on proceedings of the second meeting of the Sub-Committee on Trade of Least-Developed Countries held in July 1981 (COM.TD/LLDC/2). The Chairman recalled that agreement had been reached on the establishment of the Sub-Committee on Trade of Least-Developed Countries and on its terms of reference at the July 1980 session of the Committee, subject to the matter being reviewed by the Committee on Trade and Development at its meeting in the autumn of 1981. In this connexion, he drew attention to the resolution adopted at the conclusion of the United Nations Conference on the Least Developed Countries held in Paris in September 1981 which, among other things, proposed that GATT should consider extending the life of the Sub-Committee since it provided a most useful forum for dialogue and could also make a useful contribution to the review of the Programme of Action for the 1980's adopted at the Conference in so far as it related to international trade.

49. There was full support for the proposal to extend the life of the Sub-Committee. In this regard the hope was expressed that it would continue to play an innovative and productive role in identifying the trade problems of the least-developed countries and promoting their solution. It was also emphasized that the Sub-Committee would have an important role to play in monitoring and reviewing the implementation of the international trade aspects of the Action Programme adopted at Paris. Some delegations referred to the need for the Sub-Committee to pursue its own work programme actively on the basis of the documentation that had been prepared. It was also suggested that the interests of the least-developed countries should be pursued not only in the context of the work of the Sub-Committee, but in all areas of the work of the Committee on Trade and Development and of the GATT.

50. The Committee decided to prolong the life of the Sub-Committee with its existing terms of reference. The Committee also adopted the report containing the proceedings of the second meeting of the Sub-Committee issued as document COM.TD/LLDC/2.

EXPANSION OF TRADE AMONG DEVELOPING COUNTRIES

51. The Committee had before it the eighth Annual Report of the Committee of Participating Countries concerning the operation of the Protocol Relating to Trade Negotiations Among Developing Countries (L/5213 and addenda).

52. Representatives of a number of developing countries emphasized the importance they attached to the Protocol, in the light of the great potential for the further expansion of trade among developing countries. Noting that the Protocol had made a positive contribution to the expansion of trade among participants in the products covered, they expressed their support for enlargement of the Protocol in terms of membership, product coverage and depth of tariff concessions.

53. The representative of a developed country said that his country believed that the expansion of trade among developing countries could make

a major contribution to the process of economic development. It was therefore important that GATT, including the Committee on Trade and Development, should give close attention to this matter in its activities.

54. The Committee took note of the report of the Committee of Participating Countries on the operation of the Protocol Relating to Trade Negotiations Among Developing Countries.