

GENERAL AGREEMENT ON TARIFFS AND TRADE

ANNEX

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Sub-Committee on Trade of
Least-Developed Countries
24 June 1985

PROPOSALS FOR ACTIONS IN FAVOUR OF THE LEAST-DEVELOPED COUNTRIES

Note by the Secretariat

In the Ministerial Declaration adopted on 29 November 1982 CONTRACTING PARTIES had decided, inter alia, to "urge contracting parties to work towards further improvement of GSP or MFN treatment for products of particular export interest to least-developed countries, and the elimination or reduction of non-tariff measures affecting such products". In paragraph 3 of the Annex to the Declaration, CONTRACTING PARTIES had outlined the following guidelines on how to pursue actions toward facilitating trade of least-developed countries and reducing tariff and non-tariff obstacles to their exports:

- (a) further improve GSP or m.f.n. treatment for products of particular export interest to least-developed countries, with the objective of providing fullest possible duty-free access to such products;
- (b) use, upon request and where feasible, of more flexible requirements for rules of origin for products of particular export interest to least-developed countries;
- (c) eliminate or reduce non-tariff measures affecting products of particular export interest to least-developed countries;
- (d) facilitate the participation of least-developed countries in MTN Agreements and Arrangements;
- (e) strengthen the technical assistance facilities of the GATT secretariat targeted to the special requirements of least-developed countries;
- (f) strengthen trade promotion activities, through the ITC and other initiatives, such as by encouraging the establishment of import promotion offices in importing countries;
- (g) give more emphasis to the discussion and examination of policy issues of interest to least-developed countries in the context of further efforts to liberalize trade.

At its Forty-Ninth Session the Committee on Trade and Development accepted a proposal that the Sub-Committee on Trade of Least-Developed Countries should (a) monitor the implementation of those aspects of the Ministerial Declaration which concern the least-developed countries; and

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(b) hold consultations between interested least-developed countries and their respective trading partners on issues related to their development and export interests including the examination of barriers to their trade, and any relevant commercial policy matters. It was stressed that the latter proposal stemmed from paragraph 3(g) above of the Annex to the Ministerial Declaration. The above proposals were subsequently incorporated in the work programme of the Sub-Committee and as a result consultations have been held with Bangladesh and the United Republic of Tanzania and their respective trading partners during which development and trade problems of these countries and especially problems facing their exports were discussed. Follow-up actions have been taken by certain countries and groups of countries to which requests have been addressed. The programme of consultations will be pursued in the current year.

At the Sixth Meeting of the Sub-Committee in October 1984 the Chairman stressed, inter alia, the need how best to give practical effect to the decisions and intentions of the CONTRACTING PARTIES reflected in the Ministerial Declaration of November 1982. Concluding the discussions on this item the Chairman remarked that members of the Sub-Committee had indicated a general desire that further measures be taken in the trade field to promote the trade interests of the least-developed countries. He included in his summary the following proposals, including his own, which have been made in the course of the discussions (COM.TD/LLDC/7, paragraph 74):

- (i) countries which have not yet given special treatment to the least-developed countries within their GSP schemes should do so on a complete duty-free and quota-free basis for all products of export interest to them;
- (ii) those contracting parties already according special status to the least-developed countries with certain exceptions and limitations especially on textiles, jute and a number of agricultural products remove such exceptions and limitations and grant duty- and quota-free access;
- (iii) all special measures such as competitive-need criteria which might erode the full value of GSP schemes be waived in favour of the least-developed countries;
- (iv) where necessary simple duty and quota-free system of imports of handmade products from the least-developed countries be established by developed contracting parties;
- (v) priority should be given to the least-developed countries in the provision of technical assistance at both national and international levels with regard to quality, technical standards and phytosanitary requirements;
- (vi) exemption of least-developed countries from quantitative restrictions and other non-tariff measures falling outside the scope of MTN Agreements should be considered;
- (vii) with regard to the application of rules of origin relating to GSP and LDC treatment the following possibilities could be considered: (a) simplification of rules of origin in favour of least-developed countries, (b) adoption of liberal cumulative origin rules in favour of least-developed countries and (c) a generally more liberal and differential application of rules of origin in favour of least-developed countries.