

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Sub-Committee on Trade of  
Least-Developed Countries  
14 October 1985

## NOTE ON PROCEEDINGS OF THE EIGHTH MEETING

Prepared by the Secretariat

1. The Eighth Meeting of the Sub-Committee on Trade of Least-Developed Countries was held on 14 October 1985 under the Chairmanship of H.E. Ambassador M. Huslid (Norway).
2. The Chairman noted that there were three items on the Sub-Committee's agenda, as indicated in the annotated provisional agenda (COM.TD/LLDC/W/29). He suggested that in accordance with the agenda, the Sub-Committee first take up the ad hoc consultation between the Democratic Republic of Sudan and its developed country trading partners. The Sub-Committee would then, at the request of Bangladesh and the United Republic of Tanzania, revert to matters raised during the ad hoc consultations held previously with the latter two countries. Finally, the Sub-Committee would continue its consideration of proposals for further trade liberalization actions in favour of the least-developed countries.
3. Before proceeding with the agenda, the Chairman drew the Sub-Committee's attention to the recently completed mid-term global review of the Substantial New Programme of Action for the 1980's for the Least-Developed Countries (SNPA). He invited the representative of UNCTAD to inform the Sub-Committee of the results of the mid-term global review which were relevant to the Sub-Committee's area of activities. The representative of UNCTAD said that the mid-term global review of the implementation of the SNPA concentrated on progress made at the national level, progress made at the international level and possible measures for the implementation of the programme of action during the decade of the 1980's. He said that the objectives of the SNPA were reaffirmed at the mid-term review. He noted that the area of coverage of the SNPA was very broad, including food and agricultural questions, internal resources, environmental questions, international resource transfers, commercial policy, and aid modalities. As far as trade and commercial policy was concerned, the Intergovernmental Group on the Least-Developed countries called on the international community to intensify efforts to strengthen and improve the trading system for the benefit of all countries, invited all countries concerned to pursue action towards facilitating the trade of least-developed countries by reducing or eliminating tariff and non-tariff obstacles to their exports, requested countries to make further improvements for the least-developed countries in their GSP schemes on a non-discriminatory basis, called on developed countries to provide the necessary resources to strengthen technical assistance facilities for the least-developed countries in order that they may benefit more fully from GSP schemes, and called upon developed countries in a position to do so to explore the possibility of promoting long-term arrangements for the sale of export products of the least-developed countries. The UNCTAD representative said that a particularly significant development had been the decision of the European Communities to extend to all least-developed

countries the arrangements which were already available to Lomé Convention developing countries for stabilizing export earnings through the provision of compensation for export shortfalls. He noted that the conference had invited other developed countries to consider similar schemes for compensating shortfalls in export earnings.

Agenda Item (i): Ad hoc consultations between least-developed countries and their trading partners: consultation with the Democratic Republic of Sudan

4. The Chairman recalled that it was decided at the Fourth Meeting of the Sub-Committee in May 1983 that ad hoc consultations be organized in the Sub-Committee between interested individual least-developed countries and their developed country trading partners on issues related to their export interests, including an examination of barriers to their trade and any other relevant commercial policy matters. He said that the consultation with the Republic of Sudan was the third in the present exercise and the first with a non-contracting party. He drew the attention of the Committee to a background document on the Democratic Republic of Sudan prepared by the secretariat as well as a submission by the Government of the Republic of Sudan, which had been circulated as documents COM.TD/LLDC/W/26 and COM.TD/LLDC/W/28 respectively.

5. In his introductory remarks, the representative of Sudan said that like some other least-developed countries, his country had been seriously affected not only by the international economic crisis, but also by natural disasters. The present situation had resulted in slow and even negative growth, with declining exports, large external deficits, external debts amounting to almost US\$9 billion, debt servicing payments which amounted to some 90 per cent of total export earnings, and generally deteriorating living conditions. Persistent drought had also seriously affected agricultural production and resulted in some 8 million people, or approximately one-third of the population, facing severe food shortages. The representative of Sudan said that in spite of the current gloomy picture the economy possessed enormous potential. For example, of the two hundred million acres of cultivable land available, only some 10 per cent was currently under cultivation. In addition, water was readily available in many areas and there was a considerable wealth of livestock in the country. He noted, however, that drought and desertification had diminished some of these resources in recent years.

6. The representative of Sudan said that the agricultural sector accounted for 40 per cent of GDP, and 95 per cent of the country's export earnings. The sector also provided livelihood for more the 80 per cent of the population. The agricultural sector could be divided into four sub-sectors: modern irrigated farms, mechanized rain-fed crop production, traditional rain-fed farming, and livestock farming. The modern irrigated farms and the mechanized rain-fed sub-sector together accounted for about two-thirds of crop production, while the traditional rain-fed sub-sector accounted for two-thirds of the total area under cultivation. The main agricultural crops included cotton, sorghum, sesame, gum arabic, and groundnuts.

7. In order to expand and diversify the export base the Government of Sudan had taken a number of measures, including the exemption of export commodities from domestic taxes, and special measures to enable exporters to acquire loans more easily from commercial banks. The monetary authorities had also been pursuing a gradual policy of devaluation. Other measures included the liberalization of the domestic economy through a

review of price policies and the gradual removal of subsidies on consumer goods and petroleum products. In the current government plan, which covered the years 1983 to 1986, emphasis had been placed on rehabilitating the economy as a whole through strengthening existing schemes and projects, rather than undertaking investments in new areas.

8. Before opening the discussion, the Chairman informed the Sub-Committee that the representative of Switzerland had conveyed his apologies for his absence, as he was unable to attend the meeting. The representative of Sudan said that he had already had direct contact with the Swiss representative and had discussed Sudan's requests to Switzerland, as contained in document COM.TD/LLDC/W/28.

9. The representative of the European Communities said that under the Lomé Convention Sudan benefited from a range of commercial, technical and financial arrangements which aimed to improve the export prospects and more generally accelerate the development of the Sudan. He said that it was the hope of his authorities that these arrangements could be refined and built upon in the future. In regard to the specific product requests addressed by Sudan to the European Communities, the EEC representative said that certain information contained in document COM.TD/LLDC/W/28 was not correct. Specifically, groundnut, cotton seed, and sesame seed cake and meal were not subject to any import duty or levy. In addition, under the Lomé Convention, groundnut oils, cotton seed oils and sesame seed oils were exempted from import duties and levies. In the case of sorghum, the import levy was reduced by 50 per cent, and in the case of molasses, the levy had not been applied for the last fifteen years. In regard to the question of Community controls on the aflatoxin content of groundnuts and groundnut cake and meal, the EEC representative said that the regulations had been modified in 1983, but not since. The modification made at that time concerned primarily finished food products produced in the Community and would only have been of marginal significance to international trade. On the other hand, he said that the Commission had recently proposed to the Council certain modifications in the maximum amounts of aflatoxin permitted in primary products used for the manufacture of processed food. It was too early to tell what the final decision in this matter would be.

10. The representative of Canada said that the consultations were useful in raising the awareness of all concerned of the need for least-developed countries like Sudan to improve trade performance. He noted that under Canada's tariff preference system items originating in the least-developed countries were duty-free and quota-free, and cumulative origin was also permitted in the rules of origin for the least-developed countries. In relation to the observation made in the Sudanese submission about the generally low level of imports from Sudan, the Canadian representative acknowledged that this was the case and said that it was at least in part explained by the fact that most of Sudan's exports were agricultural products. He referred to the Trade Facilitation Office set up under the auspices of the Canadian International Development Agency, and noted that amongst other functions this Office helped to identify potential customers for interested exporters from developing countries. In regard to the specific request on molasses addressed by Sudan to Canada, he said that this matter would be taken into account in the context of a number of requests made by developing countries for improvements in the scheme of preferences.

11. The representative of the United States said that her country had a very significant aid programme in the Sudan, covering assistance for projects, balance-of-payments, food and refugees. In the agricultural

sector assistance was primarily directed towards particular commodities, although there were also other technical assistance projects in this sector, including one on planning and statistics which dealt with policy reform and some specific crops, and there was also a programme on licensing. In regard to the request concerning honey-dew or "stickiness" in cotton, she said that her authorities were very interested in helping, and believed that there were a number of ways of improving quality and eliminating this problem. The United States representative suggested that this and other matters might be taken up with the appropriate United States officials attached to the Embassy in Khartoum. With respect to requests on specific products, the representative of the United States noted that Sudan enjoyed duty-free access under the GSP on over 2,000 items. She said that the request for GSP inclusion for leather in the rough was not relevant, since this item was already covered by the GSP. She said that some of the other requests could be considered in the normal annual GSP review, although certain of the requests could not be met at present because current legislation made it impossible. She suggested that the Sudanese Government hold bilateral discussions with the United States on some of these issues at an appropriate future time.

12. The representative of New Zealand said that in the light of recent decisions, all the items listed in the Sudanese submission as specific requests to his country had now been exempted from import licensing. In addition, with the introduction of duty-free treatment for the least-developed countries under the GSP, which was introduced on 1 July 1985, these items were now duty-free and unrestricted on the New Zealand market. He said that as New Zealand phased out its import restrictions, it was the hope of his authorities that any lists of specific product requests from Sudan and other least-developed countries would increasingly enjoy duty-free and unrestricted access to the New Zealand market.

13. The representative of Australia said that the technical assistance requests made by the Sudan were under consideration. As far as conditions of access to the Australian market were concerned, he noted that 98.4 per cent of all imports from the least-developed countries entered Australia either duty-free or under preferences in 1983/84. He said that Sudan's requests for GSP inclusion on certain products could not be addressed at present, as the Australian system of preferences was currently under ministerial review. It was expected that this review would soon be completed and specific decisions could then be made. The Australian representative noted that there were certain discrepancies in the tariff and non-tariff measure information accompanying Sudan's requests. In particular, the tariff listed as applying to certain items under CCCN No. 07.05 only applied to one kind of bean, called *phasaedus vulgaris*, and the rate was 25 per cent and not 26 per cent. Other beans under this tariff line were dutiable at a developing country rate of 40 cents per kg. and other dried peas and beans were duty-free for developing countries. In regard to molasses, he said that there was no import prohibition, contrary to the indication in Sudan's request list. The tariff rate on roasted nuts (CCCN No. 20.06) was 11 cents per kg., and not 5.1 per cent. Finally, the only sewing yarns under tariff item CCCN No. 55.05 were finished sewing thread and yarns for handicrafting, and these were dutiable at 20 per cent.

14. The representative of Austria noted that trade between his country and the Sudan was limited in volume. He said that this could be explained largely in terms of traditional commercial links. He said that Austria's GSP scheme was a very liberal one, especially with respect to the

least-developed countries, which enjoyed duty-free access under the GSP for most items. He said that in present circumstances it was not possible to meet Sudan's specific product requests, but that his authorities always endeavoured to be as positive as possible.

15. The representative of Finland referred to the specific product requests made by Sudan and said that there were certain discrepancies in the information provided. She said that the tariff heading including dried, dehydrated and evaporated onions also included garlic, and the latter already enjoyed GSP treatment. In respect of dried peas and beans, she noted that the relevant tariff rates were zero per cent for peas and 5 per cent for beans. In the case of mangoes, guavas and dates, she said that contrary to the information in the Sudanese submission, these products were not subject to licensing. Also, coloured molasses was not subject to any licensing. She noted that the tariff line number for sheep and lambskin leather was 41.03 and not 42.03, as indicated in the document. The Finnish representative said that Finland's GSP scheme was revised every year, and that Sudan's requests would be considered in that context. She also noted that her country held bilateral consultations with GSP beneficiary countries during the meetings of the Special Committee on Preferences in UNCTAD, and expressed the hope that Sudan would participate in such consultations next Spring.

16. The representative of Sweden noted that there was limited trade between his country and Sudan. He pointed out, however, that Sweden had a trade facilitation office with which contacts could be made in order to see where possibilities existed for a further expansion in trade. The representative of Sweden said that he had the impression that Sudan had not requested GSP status from Sweden. He said that this was a straightforward process and that if Sudan were to apply, there were three or four items currently covered under the GSP which Sudan exported to Sweden, so there could be a benefit. The Swedish representative noted that a five year review was currently being conducted of Sweden's GSP scheme, and that therefore it was too early to give responses to Sudan's specific requests for GSP inclusions. He said, however, that Sudan's requests would receive full consideration in due course. As far as molasses was concerned, he said that import quotas had been lifted and that there was now only surveillance licensing. He further noted that molasses entered Sweden duty-free and was not subject to any import levies.

17. The representative of Japan referred to Japan's recent import promoting measures, announced on the 30 July 1985, as one way in which his country was contributing to increasing the exports of developing countries, including the least-developed countries. Several recent measures had been taken to improve the GSP scheme, including an increase on the ceilings for GSP imports of industrial products by about 8 per cent. In addition, GSP rates had been reduced to zero on about six items, including jute fabrics. In the forestry and fishery sectors, Japan had introduced accelerated Tokyo Round tariff cuts on thirty-three items. Within the framework of the "action programme for improved market access" three criteria had been identified for promoting imports. One of these concerned the special attention that would be given to imports from developing countries. It was envisaged that tariff rates on many items would be reduced or eliminated, and in a number of cases where GSP rates were not zero, this would also mean a reduction in the GSP rates. The representative of Japan also referred to improved standards, and certification and import procedures which had been introduced, and noted that there was a technical cooperation programme under which officials from developing countries could be more

fully apprised of Japanese standards and certification procedures. In respect of the specific product requests addressed by Sudan to Japan, he said that he hoped bilateral consultations would take place shortly on this matter. He noted that most imports from Sudan entered Japan duty-free, and that the remaining items presented certain difficulties, particularly in the case where imports would compete directly with small farmers in Japan who were producing at low levels of productivity. In regard to the requests for technical assistance, he said that his authorities were willing to cooperate where possible, but in a number of the areas specified were not in a position to offer the appropriate expertise.

18. The representative of Egypt said that the introductory statement made by the representative of Sudan illustrated clearly the serious problems that Sudan was facing, particularly in relation to increasing poverty and difficulties in the agricultural sector. He said that in order to address this situation adequately it was necessary for all countries to cooperate, developed and developing alike. He said that his country, as a developing country and as a neighbour, was disposed to do everything possible to help in this respect. He appealed to the countries to whom Sudan had addressed specific requests to respond as favourably as possible to these requests. He emphasized the importance of technical assistance for Sudan's development and noted that Sudan had enormous potential as a producer and as a trading country. He emphasized the urgency of the present situation and the need for rapid and decisive action.

19. The representative of Sudan expressed appreciation for the sympathy and interest which had been shown during the consultation by his country's trading partners. He said that after this consultation, which naturally only dealt with the issues in a preliminary way, it was necessary to ensure that there was a follow-up and continued consultations in order to move as far as possible in the direction of meeting the trade and development needs of Sudan.

20. In summing up the discussions in the consultation with the Sudan, the Chairman said that in his view the process had been a useful one. He noted that the pressing problems of many least-developed countries sometimes gave the impression that trade was not particularly important for these countries, but said that trade was very important in enabling countries to diversify their production bases and reduce their dependency on external assistance. He said that the consultations were not an end in themselves, but the beginning of a process, and he appealed to Sudan's developed country trading partners to consider the requests made seriously and as sympathetically as possible in the bilateral contacts which he hoped would ensue from this meeting. He also noted the presence of a number of international agencies at the meeting and expressed his gratitude to them for the interest which they showed in the activities of the Sub-Committee.

Agenda Item (ii): Follow-up on previous ad-hoc consultations involving Bangladesh and the United Republic of Tanzania

21. The Chairman recalled that in the course of the ad hoc consultations between Bangladesh, the United Republic of Tanzania and their respective trading partners it was agreed that the Sub-Committee would have an opportunity in the future to revert to issues raised during these consultations. He added that Bangladesh and the United Republic of Tanzania had expressed their wish for the Sub-Committee to examine at this meeting certain issues raised during their consultations. He pointed out that specific requests and submissions for improvement in conditions of access to developed markets were contained in documents

COM.TD/LLDC/W/10/Rev.1 for Bangladesh and COM.TD/LLDC/W/18 and Add.1 for the United Republic of Tanzania. The Chairman stated that it had not been possible to revise these documents to reflect the latest changes in tariff treatment in favour of the least-developed countries, especially the very significant development announced by New Zealand at the last meeting and already reflected in the minutes of the last meeting (COM.TD/LLDC/8). He expressed the hope that for the next meeting of the Sub-Committee it would be possible for the secretariat to produce a document containing an updated and revised version of the various submissions.

22. Before initiating discussions on the follow-up on the previous ad hoc consultations the representative of Bangladesh gave a brief outline of certain aspects of the current economic situation in his country. He stated that his country continued to face formidable structural problems characterized by limited natural resources, inadequate infrastructure and an extremely narrow export base and in spite of vigorous efforts to overcome these limitations progress had been limited. He pointed out that during 1984-85 the GDP increased by only 3.8 per cent and due to devastating floods and cyclones, food grain production was lower. In the field of trade the balance of trade deficit was still growing despite a higher growth in export earnings and some improvement in the terms of trade during 1984-85. He added that larger volume of food imports, exchange rate fluctuations and growing protectionism in some parts of the developed world had been largely responsible for the continuing heavy balance of trade deficit. Exports increased by 9.5 per cent to US\$900 million in 1984/85 while imports increased by about 15 per cent to US\$2,700 million. He stated that a series of measures taken by the government in the course of the year were responsible for the improved export performance. They included significant adjustments in export prices, greater export incentives including liberal credit facilities, revision in export performance licences, improvement in export credit guarantee scheme, and the introduction of new measures for product development. He added that a significant feature in the expansion of Bangladesh export trade especially in the non-traditional sector was the development of a labour intensive ready-made garment industry based entirely on private sector initiative. A further expansion in this sector was, however, being constrained by the upsurge of protectionist measures in certain important markets and this was having a serious damaging effect on private sector investment and job creation.

23. The representative of Bangladesh pointed out that the document COM.TD/LLDC/W/10/Rev.1, submitted by Bangladesh at the Sixth Session of the Sub-Committee still largely represented the situation regarding tariff and non-tariff measures on its exports, adding however, that there have been some changes since 1984 resulting from initiatives taken by the Governments of New Zealand, Finland and Japan in removing some tariff and non-tariff barriers affecting products of export interest to Bangladesh. He expressed the appreciation of his government to these countries as well as to others which have shown understanding of his country's difficulties and have been taking effective measures to phase out the remaining obstacles against items of export interest to it.

24. He expressed the appreciation of his government to the European Economic Communities for the sympathetic treatment, as well as the technical assistance it has been giving to the least-developed countries. He observed, however, that it had not been possible for the Communities to respond effectively to his country's request for further liberalization of its export of textile garments. On the contrary his country's textile

garment exports were faced with fresh quota restrictions, inhibiting further growth in this important sector. He reiterated his country's appeal for the removal of these non-tariff obstacles in order to promote the development of this sector which is entirely privately owned and labour intensive. He also mentioned that a few other important products from Bangladesh including tea, leather, unmanufactured tobacco, industrial alcohol etc., were still facing tariff and non-tariff measures in the EEC. He added that his country was in continuous consultations with the EEC and hoped that they would result in the elimination of the remaining barriers.

25. The representative of Bangladesh expressed his country's gratitude to the Government of the United States for the removal of the competitive need criteria in its GSP scheme which had in the past effected his country's export of a few types of jute products. He added, however, that with regard to some items including leather and leather products, jute yarn, bags and sacks etc., the situation had remained virtually unchanged, and in the case of textile and textile products it had worsened. He pointed out that during the last few months, a number of harsh quota restriction had been imposed on export of textile garments from Bangladesh, and while he would admit that these exports have registered an increase, they were increases from a low base and reflected efforts to diversify production and exports. He appealed to the United States for the removal of these restrictions which were having adverse effects on private investment and job creation and were hampering the country's efforts to overcome its serious structural problems.

26. He also requested the United States to simplify its rules of origin in respect of imports from the least-developed countries and expand their technical assistance to enable these countries to fully utilize the benefits of their GSP scheme. He stressed that domestic sensitivity and other reasons which had been put forward by the United States Government should not be made applicable to Bangladesh since the volume of its trade was so small that it could hardly provoke market disruption. Moreover, the balance of its trade with the United States was very much in favour of the latter.

27. The representative of Bangladesh also expressed his gratitude to the Government of Japan for a number of measures taken to facilitate export of jute goods to Japan. He pointed out, however, that important obstacles still remained with regard to exports like shrimps, leather and leather goods, jute yarn, pineapple juice, industrial alcohol etc., and requested the Japanese authorities to consider removing the remaining tariff and non-tariff obstacles facing those products.

28. With regard to Bangladeshi exports to Australia the representative of Bangladesh noted that some of them, such as jute yarn, jute bags and sacks, readymade garments, specialized textiles and leather footwear continued to face tariff and non-tariff measures. He stated that it has been made to be understood that the Australian authorities were considering the requests made by Bangladesh within the context of special treatment for exports originating from least-developed countries. He expressed the hope that there would be a more positive response to these requests in the near future.

29. He expressed his deep appreciation to the Government of New Zealand for adopting a special GSP scheme for the least-developed countries which answered most of the requests made by his country. Similarly he expressed



his appreciation to the Government of Finland for removing duties and quotas on jute carpets exported by least-developed countries and appealed that similar steps be taken in respect to other items which still faced tariff and non-tariff barriers.

30. Finally the representative of Bangladesh expressed the hope that the requests being considered in other capitals would receive positive responses in the spirit of the implementation of the decision taken at the Ministerial Conference of 1982. He expressed his gratitude to the GATT secretariat for its extremely useful documentation as well as effective technical assistance to the least-developed countries.

31. The representative of Tanzania stressed that the requests made by his country at the Sixth Meeting of the Sub-Committee should continue to receive attention at subsequent meetings since the process of dealing with the requests was a long one and could not be accomplished at a single session of the Sub-Committee. Meanwhile, his country would continue its consultations with its trading partners for improved access to their markets for its exports. He noted that since his country's requests were tabled about a year ago encouraging steps had been taken by a number of countries to liberalize access to their markets for products from developing countries and the least-developed countries in particular. In this context he noted with appreciation measures taken by Japan, Canada, Norway, New Zealand and Austria, and expressed the hope that similar actions would be taken by the other developed trading partners. He also expressed the hope that a revised and up-dated document containing the requests would be made available for the next meeting of the Sub-Committee.

32. The representative of Japan stated that within the context of his country's action programme and other import promoting measures, there had been a reduction in the tariffs on a number of products of interest to both countries. For example, in the case of Bangladesh the m.f.n. duty on yarn of jute and other textile bast fibres (exCCCN57.06) has been reduced from 8 per cent to 6.4 per cent and the GSP rate from 4 per cent to 3.2 per cent and in the case of Tanzania the m.f.n. duty on instant coffee (ex CCCN 21.02) had been reduced from 17 per cent to 14 per cent while the m.f.n. duty on pyrethrum extract (ex CCCN 13.03.600) has been reduced from 20 per cent to 10 per cent. He noted finally that most of the products imported from Tanzania to Japan were exempted from duties.

Agenda Item (iii): Proposals for further actions in favour of the least-developed countries

33. The Chairman noted that at the Sixth Meeting of the Sub-Committee in October 1984 he outlined a number of proposals, including his own which had been made in the course of the meeting taking into account the decisions concerning the least-developed countries made at the Ministerial Conference of November 1982. He pointed out that at the Seventh Meeting of the Sub-Committee in June 1985 the proposals were thoroughly discussed and the results summarized in document COM.TD/LLDC/8. He further recalled that at the meeting the Sub-Committee requested the secretariat to prepare a note with annotations on each of the proposals for consideration at the present meeting. A note by the secretariat had been prepared in response to this request and was contained in document COM.TD/LLDC/W/27. He added that the proposals were designed to move forward the implementation of the decisions taken at the Ministerial Conference of 1982 and were in line with the Substantial New Programme of Action for the least-developed countries. He pointed out, however, that in the light of some comments made at the last

meeting of the Sub-Committee and thoroughness of the discussions the time had come for the proposals to be discussed in a broader GATT framework. He therefore asked to be authorized in an appropriate manner to refer the proposals to the Committee on Trade and Development for further discussions beginning possibly at its November meeting, and he expressed the hope that the discussion would lead to something concrete. He stated, however, that this request should not preclude delegations from further commenting on the proposals at the present meeting.

34. The representative of the United States stated that her government had continued to review the proposals and was appreciative of the secretariat's help in clarifying some of them. There were however certain points in the secretariat note where the position of the United States could be more clearly highlighted. She noted with regard to the first proposal that the United States had given special treatment to the least-developed countries within its GSP scheme. She added that the position of the United States with regard to the second proposal had not been reflected in the document. With respect to the sixth proposal she noted that the Chairman's suggestion for the proposals to be discussed in the broader framework of the Committee on Trade and Development was most opportune, since it would enable discussions to be held within a broader context. She added, however, that this did not prevent her authorities from questioning the practical effects of measures such as the proposal number six.

35. The representative of Bangladesh stated that at the Sixth Meeting of the Sub-Committee when the seven proposals were first outlined, his delegation had lent its full support to them since in its view they could contribute significantly to the improvement of the external trade sector of least-developed countries. He called on other contracting parties to give their full support to the proposals and take effective steps for their full implementation. He also expressed his endorsement of the Chairman's suggestion to take the proposals to the Committee on Trade and Development for further actions including the removal of obstacles to their adoption and eventual implementation. Commenting on the secretariat note annotating the proposals he pointed out that many developed countries had already taken measures on the lines contained in the proposal and he enjoined others to do the same. He expressed the hope that the Ministerial Decisions on the least-developed countries and the seven proposals would constitute essential elements in any future multilateral trade negotiations and added that at the recently concluded mid-term global review of the Substantial New Programme of Action for the least-developed countries under the auspices of UNCTAD, the international community had, inter alia, reaffirmed its commitment to adopt all necessary measures including according fullest possible duty and quota free access to least-developed countries to facilitate their exports and enable them to overcome their formidable structural problems. He expressed the sincere hope this expression would soon be translated into concrete action-oriented decisions.

36. The representative of Tanzania stated that his delegation did not have any problem in supporting the Chairman's suggestion that the seven proposals be discussed within the wider context of the Committee on Trade and Development. However, he thought that the fifth proposal should be expanded to reflect more fully the Ministerial Decision on technical assistance which sought, inter alia, to highlight the roles played by the GATT secretariat and the ITC in this field. The Chairman pointed out that the proposals had not been meant to fully reflect the Ministerial Decision but only to refer to certain specific issues and problems embodied in the Decision.

37. The representative of the European Economic Communities stated that the secretariat note on the proposals had been studied in detail and with interest and while they were of the view that the trade policy of the EEC vis-a-vis the least-developed countries took into account most of the proposals contained in the document they had noted with great interest the originality of the sixth proposal which could undoubtedly facilitate exports from some least-developed countries. He added that they had also noted with interest the comments of the secretariat on the proposal which, while indicating that this was not explicitly foreseen, did not exclude the possibility of the EEC agreeing in the appropriate framework, to such measures. He reiterated that the EEC was favourable to and would participate in such an exercise.

38. The representative of Hungary pointed out that his country was among the first to introduce as early as 1978 special concessionary measures in favour of the least-developed countries which had meant duty and quota free access for all exports of the least-developed countries without any exceptions or limitations. He stated that in order to implement the guidelines to the Ministerial Decisions concerning the least-developed countries and especially paragraph (3f), Hungary had introduced the following measures: (a) the Hungarian Chamber of Commerce had set up a special section to deal with the promotion of imports from the least-developed countries; (b) special rates have been introduced subsidizing 70 per cent of the cost of least-developed countries' participation in trade fairs and exhibitions in Hungary; (c) many government sponsored purchasing missions have been sent to developing countries. He expressed the hope that all these measures would contribute to the promotion of trade from the least-developed countries.

39. The representative of Japan endorsed the suggestion of the Chairman to convey the proposals to the broader forum of the Committee on Trade and Development for further discussions. He added that it was the view of his government that the proposals could make a significant contribution to the preparations for the next round of multilateral trade negotiations. In this context he recalled that his government had made some proposals for the improvement of GSP schemes in its Action Programme, the outlines of which could be found in document L/5858. The proposals called, inter alia, for the establishment of an international principle, consisting of the following three points, for the purposes of rendering positive support to the development efforts of developing countries: firstly, a freeze and reduction of product exclusion from the GSP, secondly, the principle of zero tariff rates in the GSP and thirdly, special consideration for the least-developed countries. The representative of Japan stressed that the above proposals were in line with those being discussed in the Sub-Committee and he reiterated the willingness of his Government to participate in future in any other efforts aimed at improving the Generalized System of Preferences on those lines.

40. In concluding the discussions on the proposals, the Chairman stated that as authorized by the Sub-Committee he would transmit the proposals together with appropriate comments to the Committee on Trade and Development for further consideration and action. He added that a full report on the proceedings of the Eighth Meeting would be prepared by the secretariat for submission to the Committee on Trade and Development at its next regular meeting. He added that the date for the next meeting of the Sub-Committee would be communicated after the usual consultations.