

GENERAL AGREEMENT ON

TARIFFS AND TRADE

RESTRICTED

COM.TD/LLDC/10/Rev.1

13 April 1988

Limited Distribution

Sub-Committee on Trade
of Least-Developed Countries
11 February 1988

NOTE ON PROCEEDINGS OF THE NINTH MEETING

Prepared by the Secretariat

Revision

1. The Ninth Meeting of the Sub-Committee on Trade of Least-Developed Countries was held on 11 February 1988 under the Chairmanship of H.E. Ambassador M. Huslid (Norway). It was attended by twenty-two delegations including those of a number of non-contracting party least-developed countries as well as observers from a number of international organizations.
2. The following provisional agenda was proposed for adoption:
 - (i) Review of developments in the Uruguay Round of interest to the least-developed countries.
 - (ii) Review of recent developments in international trade relating to the trade of least-developed countries and of recent commercial policy measures in their favour.
 - (iii) Technical assistance.
3. The Chairman pointed out that the present meeting was being convened in response to the mandate from the Committee on Trade and Development at its Sixty-First Meeting, that the Sub-Committee "should keep under regular review issues in the Uruguay Round of particular interest to the least-developed countries". He stressed that this would be the main item on the agenda for the Sub-Committee's work. He noted that although no ad hoc consultations with requesting least-developed countries were planned by the Sub-Committee at present, it would be possible to resume such consultations in future if demanded.
4. The provisional agenda was adopted.
5. The Chairman reviewed the main international developments and initiatives of importance to the least-developed countries which had taken place since the last meeting of the Sub-Committee in October 1985. He referred to the Special Session of the UN General Assembly on Africa in 1986 and in particular to UNCTAD VII in the summer of 1987 during which one major committee chaired by himself was devoted to the problems of the least-developed countries. He mentioned, also in connection with UNCTAD VII the special preparatory meeting devoted to the LLDCs held in Katmandu in February 1987 which he also had the honour to attend. With regard to the GATT he referred to the Ministerial Meeting of Punta del Este and to the special emphasis on the interests of the least-developed

countries contained in Section B, paragraph (vii) of the Ministerial Declaration. He regarded the paragraph as a mandate from the Ministers to the negotiators, to be followed up in the work which was now entering a more substantive phase. The Chairman also recalled the reference to least-developed countries in the Ministerial Declaration of 1982 and especially the Annex in which contracting parties were asked to adopt specific measures aimed at facilitating the trade of least-developed countries and reducing tariff and non-tariff barriers to their exports. In this connection he referred to the concrete proposals made by him on the basis of the discussion of the Sub-Committee at its Sixth Meeting in October 1984, and submitted by the Sub-Committee to the Committee on Trade and Development.

6. He stressed that there was no lack of proposals related to the problems of the least-developed countries; the task was to bring about a higher degree of implementation of these proposals and programmes. With regard to the Uruguay Round he expressed the hope that in the discussion during the current meeting it would be possible to focus on these and other proposals so that the outcome could serve not only as a background but even as an input and impetus to the negotiating process especially with regard to the particular situation and problems of the least-developed countries. He considered this to be in line with the decision of the Committee on Trade and Development last year.

7. With regard to the particular economic situation and problems of the least-developed countries he limited himself to focusing on a few striking facts set out in the Final Act of UNCTAD VII, namely the significant deterioration in the overall macro-economic situation of the LLDCs in the first part of the present decade during which per capita GDP had decreased from US\$220 to slightly more than US\$200, and the declining share of the least-developed countries in the world economy and trade, a trend which might continue in coming years according to present projections.

8. Furthermore the Final Act of UNCTAD had stressed that the external economic environment as a whole has been unfavourable to the least-developed countries over the last few years due to (a) the historically low level of commodity prices, (b) the mounting debt-to-GDP ratio, and (c) insufficient external financial flows. To these could be added such factors as adverse weather conditions and natural calamities which have in some cases further contributed to reducing output and living standards.

9. With regard to the recent more specific developments in the trading situation of least-developed countries, the Chairman drew attention to certain conclusions in the secretariat note COM.TD/LLDC/W/35. The document noted that although least-developed countries' exports have performed somewhat better than those of developing countries as a whole during the past six years, this was because of the very small share of crude petroleum in the exports of LLDCs. If petroleum was excluded the export performance of the LLDCs appeared, on the average, weaker than that

of the non-oil developing countries. Furthermore the trade deficit of the least-developed countries as a group was still very high, amounting to about US\$9 billion, although somewhat lower than the record level of over US\$10 billion in the first two years of this decade. The secretariat document also noted with regret the extent to which the LLDCs in their adjustment process, in a period of stagnant official development assistance in real terms, have had to rely on import contraction and concluded that the cost in foregone investment opportunities and reductions in already low levels of consumption was very high in many instances.

10. Concluding his introductory remarks, the Chairman reiterated that it was not the task of the Sub-Committee to duplicate the work being done in the negotiating groups. It should, however, focus on how special attention could be given in the negotiations to the problems of the least-developed countries and identify measures to facilitate expansion of their trading opportunities which could be adopted within the framework of the negotiations. He pointed out that the secretariat note COM.TD/LLDC/W/32 which gives factual information on the work so far in the different negotiating groups of relevance to the interests of the LLDCs could serve as a useful background for the Sub-Committee's discussion. Before giving the floor to delegations, the Chairman invited the observer from UNCTAD to brief the Sub-Committee on the work in his organization relating to the least-developed countries.

11. The observer of UNCTAD stated that the least-developed countries have been hard hit by the prevailing depressed conditions in world commodity markets aggravated by protectionist measures which undermine their prospects in the manufacturing sector. This situation underscored the importance of the work of the Sub-Committee in trying to improve access to markets for their traditional and non-traditional exports. He stressed that the success of the development efforts of the LLDCs was critically dependent on improvement in the international economic environment notably as regards foreign exchange earnings and the flow of external financial assistance. Although the transfer of financial resources of the LLDCs has not been as expected under the SNPA some positive elements emerging recently such as the increase in multilateral assistance to the LLDCs, the efforts of some poor countries to meet SNPA objectives, and the establishment of new financial mechanisms of special relevance to these countries such as the World Bank's special facility for Sub-Saharan Africa and the IMF structural adjustment facilities could be mentioned. However, at the same time the total debt of the LLDCs had continued to increase reaching US\$45 billion at the end of 1986 representing two-thirds of their total GDP. Above all, the burden of debt servicing has been increasing considerably thus aggravating further the situation of their balance-of-payments. He pointed out, however, that there was a slight improvement in the overall economic situation of the LLDCs in 1986 and 1987.

12. He stressed that the least-developed countries have not been passive in face of the generally alarming situation of their economies. They have adopted far-reaching reforms of their economic policies often in the context of structural adjustment programmes; exchange rates have been adjusted to improve the international competitiveness of their exports and to encourage import substitution production of goods and services; they have adopted export development programmes through the introduction of a number of export incentive measures including duty-free entry for certain imports, preferential access to credit for exporters. He added that in some cases governments have initiated investment programmes as well as the revision of legislation concerning marketing, taxes, controls etc. Producer prices for export products have been made more remunerative in order to encourage production; export taxes have been reduced or eliminated in some cases, and various other measures have been initiated to encourage export investment activities. He stressed that these efforts will for the most part only produce results in several years' time and the consequences will be dramatic for these countries if developments or lack of developments in the international environments were to condemn those efforts to failure. The least-developed countries could derive considerable benefits from measures of market access aimed at increasing their exports such as the extension of the GSP benefits to all LLDCs, and to all the products on which they chiefly depend, and the elimination of non-tariff barriers to their exports as called for in the 1982 Ministerial Declaration. It was against this background that the work of the Sub-Committee with regard to the Uruguay Round acquired crucial importance for the least-developed countries.

13. In this connection he drew attention to the relevant recommendations contained in the Final Act of UNCTAD VII. These included measures to further improve GSP treatment and m.f.n. concessions on products of particular interest to the LLDCs and eliminate quantitative restrictions and other non-tariff measures affecting them. The Final Act also called on UNCTAD to provide technical assistance for developing countries in connection with the Uruguay Round in order to facilitate their effective participation. He stated that in the execution of this mandate, UNCTAD had initiated a series of technical assistance projects and in cooperation with other relevant international bodies intended to prepare studies analysing the various issues in the negotiations, and organize seminars and training workshops of a general or technical nature. In conclusion he referred to the impending UN conference in 1990 to review the implementation of the SNPA and stressed that the work of the Sub-Committee and the impact it could have on the Uruguay Round could serve as important inputs for the global review.

Agenda Item (i): Review of developments in the Uruguay Round of interest to least-developed countries

14. The representative of Bangladesh expressed satisfaction with the progress achieved during the initial phase of the Uruguay Round during which numerous proposals were made in the various negotiating groups. He

stated that the meeting of the Sub-Committee to consider issues of interest to the least-developed countries could not have come at a more auspicious time. He drew attention to paragraph 2(d) of the Decision of the CONTRACTING PARTIES on 28 November 1979 concerning "Differential and More Favourable Treatment, Reciprocity and fuller Participation of Developing Countries" which called for special measures for the least-developed countries in the context of any differential treatment in favour of developed countries; as well as to paragraph (vii) of Section B of the general principles governing the Uruguay Round in which contracting parties have been called upon, inter alia, to give special attention to the "particular situation and problems of the least-developed countries and to the need to encourage positive measures to facilitate expansion of their trading opportunities".

15. In view of the above the representative of Bangladesh, in the name of the least-developed countries, presented a series of proposals. These proposals which are annexed to this note comprise certain general and specific items for consideration in the various negotiating groups in the Uruguay Round as well as specific measures aimed at promoting a more expeditious implementation of the 1982 Ministerial Decision.

16. The proposals submitted by Bangladesh received the full support of the representatives of developing and least-developed countries who spoke. The hope was expressed that responses to the proposals would be positive so that the result would be a further stimulation, strengthening and improvement of the trading system for the benefit of all trading partners and the LLDCs in particular.

17. The representative of a least-developed country stated that the fact that his country is not a contracting party should not be construed as lack of support for the GATT system, but was due mainly to the lack of adequate technical infrastructures and capacities, a problem faced by many other least-developed countries. He noted that non-contracting least developed countries were offered the opportunity of participating in the programme of ad hoc consultations emanating from the 1982 Ministerial decisions in favour of the least-developed countries and expressed the hope that they would similarly benefit from the outcome of the Uruguay Round. He expressed his country's gratitude for the technical assistance it has received from the GATT and the ITC, and appealed to the GATT, within the framework of its activities, to give support to UN programmes in aid of the least-developed countries such as the special programme for Africa and the SNPA.

18. The representative of a country which has recently been designated a least-developed country expressed his gratitude to Norway for extending to his country the special treatment for least-developed countries within its GSP scheme. The representative of another least-developed country while expressing his full support for the proposals presented by Bangladesh on behalf of the least-developed countries stressed that the proposals had been before the international community for a long time and have been

reflected in Part IV of the General Agreement as well as restated in various fora of the GATT, and what was needed was a real commitment to their full and effective implementation by contracting parties and not their reformulation in the Uruguay Round. He pointed out that while some developed countries have undertaken certain policy measures in favour of the least-developed countries others were lagging in this respect, and he appealed to them to follow suit. He stressed further that what was needed was not understandings, or broad principles or measures formulated within the Uruguay Round but firm decisions articulated in each of the negotiating groups aimed at concrete measures to help the economies of the least-developed countries. In this connection, he appealed to the Technical Cooperation Division of the secretariat through the Chairman, to formulate for each of the fourteen negotiating groups an appropriate paragraph to be incorporated at the right time. He also stressed that any project of an early harvest in the Round on the basis of reciprocity would not yield anything for the least-developed countries since they were not in a position to offer reciprocal concessions. This representative raised a juridical point that while the Uruguay Round represented a single political undertaking it was taking place on two separate tracks as defined in the Ministerial Declaration, namely in the GNG and the GNS, and any discussion on services in the Sub-Committee which is an organ of the GATT system should not presume that the negotiation in this sector was being conducted under a single GATT framework. Discussion on services in the Sub-Committee should continue on its own merit, as the negotiations proceeded, to the extent that they could be made relevant to the least-developed countries.

19. The representative of a developing country while expressing satisfaction with the results of the first phase of the Uruguay Round cautioned against undue complacency especially against the background of serious problems facing developing countries such as the high debt burden, low and declining commodity prices, unequal terms of trade, insufficient external financial flows, lack of market access, conditionalities on GSP benefits, quantitative restrictions and other protective measures imposed in resistance to structural changes. In this regard he added that if the objective was to formulate concrete and effective measures to solve these problems, taking into priority consideration the development requirements of the least-developed countries, then a full implementation of Part IV of the General Agreement could be a fundamental point of departure. He also stressed the need to consider in the Uruguay Round the question of the erosion of GSP benefits, stability of commodity prices and a speedy elimination of barriers to trade in conformity with standstill and rollback commitments. Equally important was the flow of capital, the transfer of technology and the provision of technical assistance at all levels. The representative of another developing country stressed that the Uruguay Round presented a unique opportunity to deal with the problems of the least-developed countries and secure special and preferential treatment for them. In this regard he proposed the possible use of the standstill and rollback provisions to secure more rapid measures in favour of the LLDCs. He also appealed for more favourable treatment for them in the sector of textiles and clothing.

20. Representatives of a number of developed countries welcomed the proposals submitted by Bangladesh on behalf of the least-developed countries. Many of them stated that they were fully aware of the provision in the Uruguay Round Declaration calling for special attention to be paid to the particular situation of the least-developed countries and would keep it in mind during the negotiations. With regard to the proposals, however, they stressed the necessity of having them and others explicitly known in the various negotiating bodies, adding that although the Sub-Committee had a mandate to review developments in the Uruguay Round the developments themselves were taking place in the negotiating groups. They therefore urged the least-developed countries to participate as fully as possible in the work of the groups. With regard to the proposals themselves representatives of some developed countries pointed out what they considered as a contradiction in the request for special and differential treatment on the one hand and the request for m.f.n. concessions on the other. They stressed that this was an issue which went beyond the particular concern of the least-developed countries, and on which more debate was necessary in the Sub-Committee and other fora of the GATT. One delegation proposed that an analysis by the secretariat of the net benefits to various countries of m.f.n. as against preferential liberalization could be an appropriate area of technical assistance by the secretariat in the course of the Round.

21. The representative of a developed country expressed her country's preference for the discussion of such broad issues in the Committee on Trade and Development and other GATT fora rather than in the Sub-Committee. Most developed countries however considered the Uruguay Round as offering a new opportunity for looking at the problems of the least-developed countries in a different context and from different perspectives and emphasized that the long-term benefits which might accrue to these countries from the potential overall growth in world trade resulting from the negotiations could be considerable.

22. The representative of a developed country cautioned that any attempt to examine all elements in the negotiations for special and differential treatment would present the Sub-Committee with an impossible task.

23. The representative of the European Communities referred to the traditional relationship between the Community and a majority of the least-developed countries, through contractual agreements providing for special trade, financial and technical cooperation and aid programmes under the various Lomé Conventions. He also mentioned the extension of benefits to non-associated least-developed countries in terms of GSP access to Community markets and in terms of the STABEX. With regard to the Uruguay Round and more particularly the tropical products sector which is an area of special interest to most least-developed countries, he stressed that the Community had in its proposals included a commitment that whatever the outcome of the negotiations it would not implement trade measures contrary to the particular interest of these countries. He stressed that despite the fact that many tropical products enjoyed duty- and quota-free access to developed markets consumption of these products

was stagnant. In such circumstances there was a need for the producing countries dependant on a limited number of products to diversify production as well as markets and in this regard the Uruguay Round might be of particular benefit. In passing, he made reference to the rather limited scope given in the secretariat note COM.TD/LLDC/W/34 to the trade promotion measures taken by the Community in favour of the least-developed countries. He pointed out that the Community had sponsored over 100 participations by least-developed countries in international trade fairs and had spent about 600,000 units of accounts on import promotion measures involving both associated and non-associated countries. On this point the Chairman pointed out that the secretariat depended, in most cases, on information notified to it and stressed the importance of contracting parties notifying any actions or measures taken in favour of the least-developed countries

24. The representative of Norway speaking on behalf of the Nordic countries pointed out that multilateral trade negotiations by definition offered opportunities to all participants to seek improvement in their trade situation. He stressed that the Uruguay Round Declaration included explicit provisions for measures in favour of the least-developed countries and that some proposals had already been made in that respect, such as the possibility of securing additional preferential benefits for the least-developed countries contained in the Nordic proposals on tropical products. In this regard he stressed the importance of effective participation of least-developed countries in the negotiations in the various negotiating groups.

25. Referring to comments made by a number of countries to the effect that least-developed countries should present their proposals in the negotiating groups and participate fully in their work, the representative of a developing country expressed the hope that the Sub-Committee could serve as a vehicle for identifying and promoting the interests of the least-developed countries, which are often of a specific and limited nature, within the context of the Uruguay Round, and appealed for the cooperative effort of all to make this possible. He pointed out that the participation of the developing countries, as a whole, in the negotiation was weak, although there was a keener interest and greater participation in this Round than in all previous Rounds. This deficiency, he added, was much more evident in the case of the least-developed countries and it would be straining their resources to insist that any proposals concerning the negotiations should be made only in the negotiating groups especially since the calendar of the negotiations, was such that it was impossible to participate in the work of all the groups.

26. The Chairman reiterated that it was not the intention to superimpose the work in the Sub-Committee over that in the Negotiating Groups, but hoped that it could serve as a forum where ideas and proposals relevant to the interest of the least-developed countries could be discussed and nurtured to serve as inputs to the negotiating process. He also stressed that while it was true that certain issues could better be discussed in the Committee on Trade and Development and in other GATT fora, the

Sub-Committee was the only organ of the GATT where non-contracting least-developed countries could participate in discussions and make their views known.

27. The representative of Yugoslavia announced measures his country has been taking to secure more favourable treatment in favour of least-developed countries. He said that in 1983 about twenty-three different measures were adopted in favour of developing countries out of which fifteen were related to the least-developed countries. For example import tariffs on commodities from these countries have been almost eliminated with maximum tariffs now not more than three or four per cent; para-tariff measures were very limited or have been eliminated and non-tariff measures were not restrictive for these countries and in most cases they were intended to promote imports from them or redirect commodity imports so that they could be channelled directly from least-developed countries instead of passing through intermediaries. The representative of the Republic of Korea announced that his government has set in place a programme of assistance to the least-developed countries, for which a fund had recently been created. Moreover, his government had made efforts to extend to them various forms of technical assistance as well as loans. He stated that detailed information on his country's plans and programme in this area would be submitted to the secretariat in due course.

28. The representative of the United States stated that her delegation was aware of provisions in the Uruguay Round Declaration concerning the least-developed countries and would keep them in mind when formulating their policies and proposals in the context of the Round. She underscored the fact that her country's commitment to the Uruguay Round was a single political undertaking aimed at strengthening the trading system for the good of the international trading community including the developing countries and the least-developed among them. She pointed out that contrary to what had been said earlier by certain delegations some measures have already been taken in pursuance to the 1982 Ministerial Decision, as reflected in the secretariat documentation which, however, did not cover measures taken by developing countries. In this respect she welcomed the measures announced by Yugoslavia in favour of other developing countries and least-developed countries. She also made allusion to the efforts by developing countries to engage in tariff negotiations among themselves and expressed the hope that they would result in special benefits for the least-developed countries.

29. The representative of Canada stated that the least-developed countries faced very particular problems relating to trade and finance and it was in this respect that his government had decided to forgive all outstanding aid loans to all least-developed countries except one. He explained that the exception arose from the fact that the decision had been taken before that country was designated as a least-developed country and added that a proposal to include that country was being given active consideration by his government. He also stated that effective from 1 January 1988, Canada had extended LLDC status to all forty countries

designated by the UN in its GSP scheme. Furthermore, all future financial assistance to those countries will be in the form of grants only and not "loans". He added that in the face of the strong demand for technical assistance to enable the least-developed countries to participate fully in the negotiations his government was considering concrete ways and means of increasing and enhancing the technical assistance programme of the secretariat for the developing countries and the least-developed countries in particular, and hoped to announce concrete measures in this regard in the next few months. In this connection he called for more secretariat technical assistance efforts for these countries and invited other organizations providing technical assistance in the context of the negotiations to furnish the secretariat with full information on their programmes so that any possible gaps in the overall programme of technical assistance could be identified and the programmes supplemented either by the secretariat or participating countries who are in a position to do so.

30. The representative of Bangladesh expressed his appreciation for the generally positive responses by delegations to the proposals submitted on behalf of the least-developed countries and added that he was encouraged by the recognition of the special situation and problems of the LLDCs and by the support being given by both developed and developing countries to the special efforts and programmes directed at assisting them. He stressed that the preliminary proposals presented by his delegation were all well known; what has been attempted was to present them in a more concrete manner and in the spirit of the Uruguay Declaration. He formally requested the proposals to be circulated, as a separate document, to contracting parties and proposed that the next meeting of the Sub-Committee be held before the summer recess and if possible in the early part of June. Meanwhile, informal consultations on how to proceed with the proposals should be considered.

Concluding remarks

31. The Chairman stated that the concrete proposals made during the discussion will, through the report of the Sub-Committee, be brought to the attention of all contracting parties and the appropriate fora so that they could be studied and given the attention they deserve. He requested delegations to keep the option open, bearing in mind the heavy Uruguay Round schedule, for a meeting of the Sub-Committee before the summer recess and probably in the month of June. He added that modalities on how to handle the proposed consultations on the proposals will be considered bearing in mind the need for the Sub-Committee not to superimpose its work on the work in the negotiating groups. He stated that in view of the fact that issues relating to the two remaining items on the agenda have been already touched upon during the discussion he considered it unnecessary to formally open them for further discussion. He however advised that any information of a factual nature by way of supplementing what has already been provided in the secretariat documentation could be given directly to the secretariat. On the question of technical assistance, he referred to the need stressed by various speakers for more intense effort on the part of the secretariat and appealed for more funds, especially from developed countries, to enable the secretariat to intensify its efforts.

ANNEX I

Proposals Submitted by Bangladesh on Behalf
of the Least-Developed Countries

A. Some preliminary proposals for consideration
by the appropriate negotiating groups

1. In pursuance of paragraph B(vii) of the general principles governing the Uruguay Round of Negotiations, and in accordance with sub-paragraph (d) of paragraph 2 of the CONTRACTING PARTIES Decision (L/4903) taken on 28 November 1979, CONTRACTING PARTIES are called upon:

- (a) to incorporate concrete measures for special and more favourable treatment for the LLDCs in any arrangements resulting from the Uruguay Round;
- (b) to take action for advanced implementation in favour of the least-developed countries of all m.f.n. concessions made by developed and other countries in the Uruguay Round;
- (c) to incorporate provisions to facilitate effective utilization by least-developed countries of remedial measures or actions available in the GATT system, e.g. dispute settlement.

2. Contracting parties with centrally-planned trading systems should endeavour, in any bilateral trade agreements with least-developed countries, to provide for the total removal of barriers to such trade and promote a steady growth in the volume of trade with them.

3. The negotiations in the sector of textiles and clothing should, according to the Ministerial Declaration, aim at its eventual integration into the General Agreement on the basis of strengthened GATT rules and disciplines. It is proposed that the rules and disciplines which would be elaborated should provide for the fullest liberalization of trade in this sector for the least-developed countries in the context of differential and more favourable treatment.

4. In the case of tropical products, natural resource-based products, agriculture and other sectors of special interest to LLDCs, special and differential treatment, in accordance with the relevant provisions of the Ministerial Declaration, should be ensured.

5. Regular review of the trade problems of the least-developed countries through GATT missions, ad hoc consultations, etc. should be made.

6. Effective GATT participation in programmes of the United Nations System in favour of the LLDCs should be ensured.

B. Contracting parties are called upon for expeditious implementation of the relevant provisions of the 1982 Ministerial Declaration including, inter alia:

I. Improvement of GSP or m.f.n. treatment for products of particular export interest to the least-developed countries.

- The ultimate objective must be a duty- and quota-free access for all exports of the least-developed countries.

(a) Full implementation by all developed countries of paragraph 2(d) of the Enabling Clause to enable special treatment for the least-developed countries within the context of GSP schemes, i.e. duty-free treatment to all exports - industrial and artisanal, tropical, agricultural and natural resource-based products of the least-developed countries.

(b) - Exemption of LLDCs from the application of GSP safeguard clauses;
- exemption of LLDCs from product withdrawals and graduation;
- exemption of LLDCs from quotas and ceilings.

(c) Need for long-term guarantee of maintenance of GSP commitments for the least-developed countries. This is essential in building stable economic conditions conducive to the attraction of foreign investment, and to economic development in general.

II. Practical measures to promote higher utilization rate of GSP treatment by the least-developed countries, for example:

- establishment of direct trading links with the least-developed countries;
- use of simplified and flexible rules of origin in favour of the least-developed countries;
- facilitating the participation of the least-developed countries in trade fairs;
- establishment of import promoting offices by donor countries.

III. Technical assistance

(i) Contracting parties to assume stronger commitments to offer technical assistance to the least-developed countries on all aspects of their trade development. Increased technical assistance should be given to the LLDCs, inter alia, through the International Trade Centre, UNCTAD/GATT.

(ii) More active secretariat technical assistance aimed at promoting the participation of the least-developed countries in MTN agreements and to help improve their capacity to benefit from existing preferential arrangements.

(iii) Contracting parties are called upon to extend special support measures to the land-locked countries among LLDCs in order to facilitate smooth and free conduct of their external trade.