

# GENERAL AGREEMENT ON TARIFFS AND TRADE

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Committee on Trade and Development  
Seventy-Fifth Session  
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## NOTE ON PROCEEDINGS OF THE SEVENTY-FIFTH SESSION

Prepared by the Secretariat

1. The Seventy-Fifth Session of the Committee on Trade and Development (CTD) was held on 26 July 1993 under the Chairmanship of H.E. Ambassador Mounir Zahran (Egypt). Before adopting the agenda, the Chairman drew attention to the question of Yugoslavia's participation in the Committee. He recalled that according to the Decision of 16 July 1993, the Council considered that the Federal Republic of Yugoslavia (Serbia and Montenegro) could not continue automatically the contracting party status of the former Socialist Federal Republic of Yugoslavia in the GATT, and therefore decided that the Federal Republic of Yugoslavia (Serbia and Montenegro) should apply for accession to the GATT and should not participate in the work of the Council and its subsidiary bodies. The Council further invited other Committees and subsidiary bodies of the GATT, including the Committees of the Tokyo Round Agreements and the Committee on Trade and Development, to take the necessary decisions in accordance with the above. Consequently, the Chairman proposed that the Committee agree to take a similar decision to the Council on the question of participation of Yugoslavia in the Committee on Trade and Development. It was so agreed.

2. The Committee adopted the following agenda: (i) work on the follow-up to the United Nations Conference on Environment and Development (UNCED), Agenda 21, Chapter 2: Introduction and Section A; (ii) review of the implementation of the provisions of Part IV and the operation of the Enabling Clause; (iii) work of the Sub-Committee on Trade of Least-Developed Countries; and, (iv) other business.

Item (i): Work on the follow-up to the United Nations Conference on Environment and Development (UNCED), Agenda 21, Chapter 2: Introduction and Section A

3. The Chairman recalled that at their Forty-Eighth Session in December 1992, the CONTRACTING PARTIES had agreed to invite the Committee to examine, within the scope of its terms of reference, including the Decision of the CONTRACTING PARTIES at their Thirty-Fifth Session in 1979 to strengthen the Committee's rôle, those matters raised by the United Nations Conference on Environment and Development (UNCED) in the context of promoting sustainable development through trade liberalization (Agenda 21, Chapter 2: Introduction and Section A). Following the December 1992 Decision, the Committee held a number of informal consultations to prepare its future work on the follow-up to UNCED. On 14 May and 3 June 1993 the Committee held informal general debates on five main topics: the sustainable development, environment and trade interface; improving market access, in particular to exports of developing countries; monitoring and data collection; relevance of existing GATT rules relating to developing countries, including Part IV, to the concept of sustainable development, environment and trade; and possible future rôle of the CTD in dealing with matters relating to

sustainable development, environment and trade. The main points raised in those two debates were reflected in the Informal Paper prepared by the Secretariat, dated 2 July, which had been circulated to delegations as background material. The Committee also had before it a Note containing information on the first session of the Commission on Sustainable Development and Other Related Activities, which had been circulated as a joint document of the Group on Environmental Measures on International Trade (EMIT) and the Committee on Trade and Development (CTD) under the symbol TRE/W/14, COM.TD/W/503. Finally, the Chairman said that the formal debate would continue at the end-of-year meeting of the Committee, when it was expected to adopt a report for submission to the Council, through the CONTRACTING PARTIES, as its contribution to the general overview of the follow-up to UNCED in GATT, to be carried out by the Council in November. The Chairman also informed the Committee that he had invited UNCTAD to make a presentation on its work on monitoring and data collection, as had been agreed by the Committee at its informal consultation on 3 June. For this purpose, Mr. Carlos Fortin, Deputy to the Secretary-General of UNCTAD was attending the present Session. The Chairman also informed the Committee that the representative of the International Trade Centre, Mr. G.M. Kansu, wished to make a presentation on the same matter.

4. The representative of UNCTAD, speaking as an observer, provided background information on UNCTAD's work in the area of trade and environment and on monitoring and data collection. He recalled that UNCTAD had been undertaking work on sustainable development for a number of years and that UNCTAD VIII and the UNCED process had given a large impetus to that work. One of the main functions of UNCTAD was consensus building, a rôle which was particularly relevant in the UNCED process. Indeed, Agenda 21 had recognized that "UNCTAD should play an important rôle in its implementation". In addition, the Chapter in Agenda 21 concerning "International policies to accelerate sustainable development in developing countries and related domestic policies", in particular paragraphs 2.21 and 2.22 had included UNCTAD, together with GATT, among the international organizations called upon to address a number of issues in the area of trade and environment. Comprehensive work programmes were being implemented at both the intergovernmental and the secretariat level. Work at the intergovernmental level included the following areas: trends in the field of trade and environment within the framework of international cooperation; the reconciliation of environmental and trade policies, including the necessity to ensure that environmental measures do not become an instrument of protection; analysis of the impact of environment-related regulations and standards on export competitiveness, particularly of developing countries; building of increased awareness and understanding of trade, especially that of developing countries; comparative analysis of country experiences with ways and means of promoting expansion and diversification without deteriorating or depleting the natural resource base. In addition, in December 1992, the Trade and Development Board's Ad Hoc Working Group on Expansion of Trading Opportunities for Developing Countries had decided that one of the elements of its work programme should be to "consider the impact of environmental policies and measures on trading opportunities of developing countries with a view to making recommendations for enhancing those opportunities". This issue was to be discussed at the second session of the Working Group on 4-8 October 1993.

5. At the secretariat level, the programme of work included: a series of developing-country case studies on trade and environmental linkages, analysis of the potential impact of eco-labelling schemes on the exports of developing countries with the view to ensure that eco-labelling did not become an obstacle to their exports. In the area of natural resource management and sustainable development, the work programme included: internalization of environmental costs and resource values; expanding trade in environmentally-preferable products; and, improving natural resources management and fostering sustainable development in the commodities sector.

UNCTAD was also undertaking a number of technical assistance activities to enhance and strengthen the participation of developing countries in international deliberations on trade and environment.

6. Monitoring and data collection was an area in which UNCTAD had had a long experience. At present UNCTAD was in the process of adjusting its Trade Control Measures Database in order to incorporate environmental measures having an impact on international trade in accordance with UNCED's request. The secretariat had approached member States for advice and information, and cooperation had also been established with international organizations such as GATT. UNCTAD's coding system on trade control measures had been revised with a view to identifying more accurately measures based on environmental grounds. To facilitate this work, a questionnaire on national environmental regulations which might have an impact on trade had been sent to all member States.

7. In recent years, the Database had become particularly relevant in the context of trade and environment. On 12 October 1990 the Trade and Development Board had adopted Decision 384 (XXXVII) -- which had subsequently been endorsed by the UN General Assembly -- requesting the Secretariat "in connection with the efforts to promote dialogue within UNCTAD on the interlinkages between environmental and trade policies, to adjust the UNCTAD Trade Control Measures Information System to monitor environmental regulations for possible protectionism, and to monitor non-tariff measures which have a bearing on the environment". This indicated that in the context of trade and environment, the Database had two main purposes. First, it recognized, as Agenda 21 had done, that trade restrictions might have a negative impact on sustainable development and the environment, and that trade liberalization, in combination with sound environmental policies, contributed to sustainable development. Second, it recognized that environmental protection measures might have an impact on trade and could sometimes be used for protectionist purposes. Regarding the first purpose, UNCTAD's work on market access and commodity issues, in accordance with its long-standing mandate on trade and development, was particularly relevant. To support this work, the Database was well-established and fully operational. As to the examination of the possible impact of environmental measures on trade, it should be noted that such impact might have both negative and positive effects.

8. The Database would help to minimize the negative effects of environmental product regulations on trade, especially that of developing countries, by increasing transparency of national regulations. On the other hand, environmental factors might create new export opportunities for developing countries. The Ad-Hoc Working Group on Trading Opportunities for Developing Countries would, among other things, examine ways and means of promoting trade from developing countries in the light of environmental regulations and consumer preferences for "green" products in the major markets. To support this type of work, the Database needed to be adjusted.

9. With regard to the scope of measures covered, the UNCTAD Database covered a number of environmental measures which might not be covered under the notification requirements of the GATT Agreement on Technical Barriers to Trade, such as economic instruments and environmental labelling on a voluntary basis. UNCTAD was also developing GREENTRADE, a computerized information system, using a personal computer, that allowed encoding and retrieval of information on environmental product concerns and measures. So far a pilot version of the system, as well as a user's manual, had been prepared. Further work would concentrate on the collection and encoding of information. Once finalized the system would be made available to national and regional focal points.

10. The technical cooperation activities also contributed to monitoring and data collection. The country case studies on trade and environment linkages focused, among other things, on the impact of overseas environmental concerns, and on regulations on the country's exports. Information was collected from the government and business community. Some of the studies would analyze the impact of trade liberalization on the environment and would contain a discussion of domestic policies that maximized the contribution which trade liberalization could make to achieving sustainable development. The project on eco-labelling and trade would also generate useful information.

11. The representative of the International Trade Centre (ITC), speaking as an observer, said that the ITC's activities had concentrated on the following areas: dissemination of information, export promotion of environmentally-sound products and preventing the importation of environmentally-hazardous goods. As part of this effort, the ITC had so far issued an Export Quality Control Note relating to environment and had prepared a working paper entitled "Trade Development Programme on Environment Supportive Technologies". It had also published a document illustrating how on-line and CD-ROM databases could be used to answer specific inquiries from the business community on aspects relating to trade and environment, had published a paper concerning "The Potential Impact of Environmental Legislation on Export Packaging from Developing Countries", and had implemented a number of technical cooperation projects for the export promotion of environmentally-friendly products. These actions, however, had been taken essentially on an ad hoc basis.

12. Following the UNCED, the ITC had embarked upon the formulation of a particular strategy for its future work in this area. The initial report, elaborating opportunities and options, was now ready, and the ITC management soon intended to establish its strategy on environment and sustainable development which would be reflected in all ITC activities as a theme cutting across various programmes. Priority areas included the following: (i) dissemination of information concerning environment-related regulations, procedures and policies, including eco-labelling, of developed importing countries, particularly among the business communities of the developing countries; (ii) enhancement of awareness in developing countries regarding the possible harmful effects of some of their exports; (iii) preventing the importation of environmentally-hazardous goods; (iv) export development and promotion of environmentally-friendly products, technologies and services; (v) creation of institutional capabilities in government and business community organizations, such as Ministries of Trade and Chambers of Commerce, in order to take into account in their activities environmental aspects of trade development into account in their activities; (vi) export development and promotion of alternatives to environmentally-harmful export products; (vii) adapting products to import regulations, standards and policies of importing countries; and (viii) dissemination of information and advice on eco-labelling. To facilitate this work, the ITC would closely coordinate its activities with other international organizations, including UNCTAD, GATT, UNIDO, FAO and UNEP, and mobilize resources for the financing of its environment-related activities.

13. A large number of delegations expressed appreciation for the presentations made by UNCTAD and the ITC and suggested that this practice continue in the future in order to keep the Committee informed of the work undertaken in other international organizations in relation to trade and environment and the UNCED follow-up.

14. The representative of India underlined the special importance his country attached to the CTD work on the UNCED follow-up. Recalling that the primary focus of Agenda 21, Chapter 2 was on achieving sustainable development in developing countries, the representative pointed out

that UNCED had recognized that the prescription for achieving this objective might have to be different from that of other countries. For this reason, the UNCED had acknowledged that environmental standards valid for developed countries might have unwarranted social and economic costs in developing countries.

15. The representative drew attention to the fact that the concept of sustainable development had been defined by UNCED as "development that meets the needs of the present generation without compromising the needs of the future generation". This meant that meeting the needs of the poor of the present generation was as important as meeting the needs of future generations. However, there were different ways of looking at sustainability. For example, in terms of consumption, several questions could be raised. One was whether the existing high levels of consumption in certain countries should continue indefinitely at the expense of those countries which, at present, were either unable to consume or had negligible consumption levels, or rather the objective should be to increase consumption levels in the latter to reach the existing levels in the former. Another question was whether existing high consumption levels should be reduced and no higher levels of consumption should be permitted elsewhere, or whether increases in consumption should be permitted where the levels were low, at the expense of those currently enjoying high levels of consumption. India wished to put this debate in its proper context, which was the needs and requirements of developing countries and their contribution to environmental sustainability and protection. While protection of the environment was essential, it would have to be addressed in different ways, in different places and in different contexts. In the context of developing countries, this would include access to less-polluting technologies, transfer of information and know-how to prevent developing countries from committing errors similar to those that have occurred in developed countries, and protection of bio-diversity and compensation for those who preserved this diversity.

16. The need for international cooperation based on consensus decision-making was the underlying philosophy of UNCED's recommendations. This implied that any suggestion that unilateral action by individual states could respond to environmental challenges should be rejected.

17. Regarding the link between poverty reduction and environmental goals, it was important to deal with the root causes of environmental problems. These issues were complex and constituted an agenda for the beginning of the 21st century; however, it was important to establish at the beginning of this process some principles on the basis of which the discussion on these issues could be further pursued. First, environmental problems without spill-over effects should be left to national authorities. Second, environmental problems with spill-over effects should be resolved through international or regional cooperation. In dealing with these issues, different competencies of various institutions and the need to deal with individual issues within the institution having relevant competence should be recognized.

18. With regard to the trade and environment interface, India believed that trade liberalization was consistent with the protection of the environment and the realization of environmental goals. Environmental protection could not be sustained in the longer-term without an open, equitable, non-discriminatory and predictable trading system. Therefore, an early and successful conclusion of the Uruguay Round was an important step forward in securing an equitable multilateral trading system, provided that the results of the negotiations were balanced. In this context, it was essential to expand market opportunities for developing countries in areas of particular interest to them, such as agriculture, tropical products and textiles. It had been widely acknowledged that developing countries had undertaken a massive effort towards economic reforms and trade

liberalization which called for an appropriate response from developed countries. So far such a response had not been given in the Uruguay Round.

19. India also believed that the Committee had an important rôle to play with regard to monitoring and data collection. Such a task was already within the responsibilities of the Committee. To this end, India had proposed to reactivate the Sub-Committee on Protective Measures and was willing to discuss this proposal with other delegations at an appropriate time.

20. Several points included in Agenda 21, Chapter 2 testified to the relevance of Part IV to the concept of sustainable development. For example, the question of improved market access to developing countries' exports was seen as imperative for achieving sustainable development. Similarly, improving the functioning of commodity markets and halting or reversing protectionism to further expand market access were designed to enable developing countries to contribute towards sustainable development. Moreover, the concept of special and differential treatment was implicit in the statement that environmental standards valid for developed countries might have unwarranted social and economic costs in developing countries. Therefore, the relevance of Part IV was undeniable and this issue required further reflection and consideration in the Committee.

21. Finally, India believed that paragraph 16 of document TRE/W/14, COM.TD/W/503, containing guidelines for submissions to be made by international organizations to the Inter-Agency Committee on Sustainable Development, should be taken into account in preparing the CTD contribution for the November Council.

22. The representative of Norway, speaking on behalf of the Nordic countries, said that in relation to the UNCED follow-up the Committee's task at the present Session was threefold: to ensure that it was actually handling all the questions it was supposed to; to define the agenda for further work; and to begin considering how its contribution to the Council overview could be formulated. Regarding the first aspect, the Nordic countries had initially not had a clear perception of what specific questions the CTD should address. However, the informal consultations undertaken prior to the present Session had enabled them to have a better idea of some of the issues that had to be dealt with. A number of thought-provoking statements to this effect had been made by some delegations, in particular by India and Mexico. The Nordic countries suggested that the CTD focus on issues of particular interest to developing countries and build on what had already been done in the EMIT Group, UNCTAD, and other fora. However, like other countries, the Nordic countries recognized that the greatest contribution that GATT could make towards sustainable development in both developed and developing countries would be a successful conclusion of the Uruguay Round. As to the agenda for further work, the Nordic countries believed that further analysis and dialogue were needed with regard to sustainable development, environment and trade interface. In this connection, Hong Kong's suggestion, namely to try to make the concept of sustainable development operational, was interesting. However, equal emphasis should be given to sustainability and development. In the area of market access it was important to maintain an open, non-discriminatory, multilateral trading system through the successful conclusion of the Uruguay Round. In addition to this, the Committee could also examine more specific aspects of market access conditions for developing countries, including packaging and labelling requirements. Developing countries could also try to determine their comparative advantage in the production of environmentally-friendly products. Monitoring and data collection was the area where the CTD could start its more concrete work. In order to avoid duplication of work, the first step would be to clarify what had already been done in other international organizations, as well as in GATT, and to establish the kind of data and the purpose for which it should be collected.

23. With regard to the question of relevance of Part IV to the concept of sustainable development, trade and environment interface, the representative recalled that Part IV had been negotiated before the concept of environment and sustainable development had acquired its present importance. It could, therefore, be useful to consider whether the existing GATT rules were still adequate. However, at this stage it was premature to begin these deliberations since discussions at a more general level were being pursued on this matter in the EMIT Group. With respect to the contribution of the Committee to the November Council, the Nordic countries believed that this could take the form of a report by the Chairman reflecting the discussions held in the Committee. A good outline for the content of such a report was contained in the Informal Paper by the Secretariat dated 2 July.

24. The representative of Brazil highlighted three basic notions stemming from the Rio Conference which were relevant for the debate in the Committee: first, that the development dimension should be present in any consideration of the relationship between trade and environment; second, that international cooperation should be the basis for progress in the area of environment and development; and third, that the root causes of environmental problems must be addressed, which implied the need to deal with development problems. The CTD was an adequate forum to address all these issues. However, Brazil believed that the Committee should not only be a forum for discussing trade, development and environmental policies, but that it should also make a concrete contribution to promoting sustainable development in all countries, particularly in developing countries.

25. The CTD deliberations could lead to results in terms of trade rules or market access. Agenda 21, Chapter 2 contained repeated calls for expanding market access in favour of developing countries. At the same time it underlined the need for an equitable, secure, non-discriminatory and predictable international trading system and for ensuring that environment and trade policies were mutually supportive with a view to achieving sustainable development. That part of Agenda 21 invited a reflection on the rules that would promote an international trading system which took into account the needs of developing countries. While the EMIT Group was conducting a rules-based examination of issues, the CTD could usefully begin its work by addressing the market access issue. Agenda 21 confirmed the basic views presented in the report prepared by the Secretariat for the Rio Conference, namely, that trade expansion through trade liberalization increased development prospects by augmenting developing country's exports. Gains due to the efficient allocation of resources reduced over-exploitation or wasteful use of natural resources. Therefore, there was a linkage between protection of the environment and the need to maintain an open, multilateral trading system. Promoting sustainable development through trade liberalization was one of the goals established in Agenda 21, Chapter 2 and it was not surprising that it called for an early, balanced, comprehensive and successful outcome of the Uruguay Round. From this perspective, the completion of the Uruguay Round, particularly if a significant market access package was to be obtained in both the agricultural and industrial sectors, was, in the short-term, the most important contribution GATT could make to the achievement of sustainable development.

26. An important provision of Agenda 21, Chapter 2 was related to the improvement of commodity trade, both because it was vital to many developing countries and due to the direct relationship between commodity production and natural resources. This provision was not exclusively addressed to GATT and many of the issues in the commodity area would be dealt with elsewhere. However, at least three issues were GATT-related: access, distortions and diversification.

27. Brazil believed that with regard to access, aside from border measures, the question of internal taxation on tropical products could be examined. As there was no domestic production of these products in temperate-zone countries, high internal taxes, even if they were in conformity with Article III, distorted competition and were equivalent to a tariff on imports. This problem had been examined in the past without a satisfactory solution being reached, and therefore it should be raised again in the light of the conclusions of the Rio Conference. With respect to distortions, the Rio message was against production and export subsidies in agriculture. Subsidies in agriculture depressed world prices and thus generated over-exploitation of resources in developing countries which were in need of hard currency. The amount of resources involved in subsidization was much greater than the estimated resources needed for the implementation of the Agenda 21 programme. Agenda 21, Chapter 2 called for the support of diversification efforts, since diminishing dependence on a limited number of commodities would help to avoid over-exploitation due to the fall in prices. The same logic favoured vertical diversification, since more processed products were less subject to price fluctuations. However, the vertical diversification was discouraged by the practice of tariff escalation in the main markets, which were essential for developing countries given the small size of their own markets. Tariff escalation was an area where GATT had no systematic treatment. Therefore, it would be useful to examine this issue in the light of the objectives of Agenda 21, Chapter 2.

28. Another aspect which warranted examination was the interface between market access and environmental measures, particularly in terms of the effects on developing countries and how to maintain developing countries' access to markets given the introduction of new environmental regulations. In this area, the CTD work could complement the efforts of the EMIT Group by approaching the issues in a more concrete manner.

29. Brazil attached particular importance to the identification and examination of positive aspects that might result from the interaction between trade and environmental policies. This exercise would be aimed at identifying new opportunities for trade, especially for developing countries, that were opened as a result of environmental measures, and at determining the specific liberalization measures that could be of benefit to the environment, for example by increasing trade in environmentally-friendly products.

30. In the light of the above, the type of data that should be covered by the process of monitoring and data collection could be defined. This matter could be the subject of informal consultations to be conducted by the Chairman. The work done by other organizations, especially UNCTAD, should be taken into consideration in order to avoid duplication. CONTRACTING PARTIES should also be encouraged to contribute to the efforts of other organizations. As a first step the Secretariat could prepare a note reviewing existing information in GATT and previous discussions on internal taxes and tariff escalation.

31. The representative of Egypt highlighted two aspects of relevance to the discussion on trade and environment. First, the importance of expanding trading opportunities for developing countries in order to achieve sustainable development through trade. In this respect, it was crucial that the market access results of the Uruguay Round provided new opportunities for developing countries, especially in the areas of agriculture, textiles and tropical products. Strengthening rules and disciplines of the multilateral trading system would also be important. Second, it was imperative to ensure that the new policies, regulations and standards adopted for environmental protection would not be used to restrict developing countries' exports or serve as a means of protection. The CTD should have a monitoring rôle in this area and should also continue to supervise the implementation of Part IV which contained provisions designed to increase exports



of developing countries. These provisions could already be implemented without awaiting any renegotiation of Part IV. In this context, the possibility of extending the time period for granting GSP treatment to several years should be considered. Furthermore, Egypt supported India's proposal to reactivate the Sub-Committee on Protective Measures which could serve as a forum for developing countries to address their concerns regarding environmental measures which might have an impact on their trading opportunities.

32. The representative of Mexico emphasized that in carrying out its work on the UNCED follow-up, the CTD should ensure complementarity with work being done in other fora, and should focus on the examination of the concept of sustainable development from the perspective of developing countries. The need to ensure the sustainable development of developing countries should be at the centre of the debate on trade and environment. The representative stressed that the work carried out by UNCED, and its principles and recommendations, should constitute guidelines for the Committee. Mexico supported the two principles put forward by India: first, that environmental problems without any spill-over effects should be resolved by the national authorities according to their own objectives and priorities; and second, that environmental problems with spill-over effects should be resolved through international and regional cooperation on a consensus basis.

33. Mexico believed that in examining the concept of sustainable development, it was important to take into account the differences between developed and developing countries. While the problems of developed countries were related to high consumption levels, developing countries suffered from poverty, misery and lack of resources. For the latter, the economic development through trade, as well as external and financial flows, were essential to achieve sustainable development. The GATT could contribute to the objectives set out in Agenda 21 by increasing market access in a way which would ensure the integration of developing countries in the multilateral trading system and by establishing clear rules that would help to preserve market access. In its follow-up to UNCED the main concern of the GATT should be how to ensure an open, equitable, non-discriminatory, stable and predictable multilateral trading system that would facilitate environmental protection in a sustainable way in all countries.

34. While a successful conclusion of the Uruguay Round could certainly constitute a valuable contribution to improving market access for developing countries, it was also important to identify areas of export interest to developing countries, in particular, specific environmentally-friendly products where these countries would have a comparative advantage. An issue to be further considered in this context was tariff escalation and the possibility of granting a more favourable treatment to environmentally-friendly products with different processing degrees. Another aspect which warranted examination was the enhancement of developing countries' potential to become exporters of environmental services. Aside from improving market access for developing countries, the CTD should play a rôle in preserving such access against environmental measures that had a restrictive trade effect.

35. The analysis of possible distorting effects of environmental measures on developing-country exports involved monitoring and data collection. While, in this area, the contribution of other fora would be useful, the CTD could also examine specific measures in order to determine the impact of environmental measures on developing countries' trade and on their development. The work of the CTD should also include the examination of the relevance of existing rules for developing countries, in particular Part IV, to the concept of sustainable development, environment and trade. However, at present this issue should not be a priority for the CTD, which should first benefit from the work being done on rules in the EMIT Group. Nevertheless,

the CTD could discuss certain aspects of the issue, such as the establishment of special mechanisms, for example environmental subsidies and transition periods, to encourage developing countries' participation in environmental multilateral agreements. The possible future rôle of the CTD in relation to trade and environment should be twofold: a forum for debate and a forum for action to ensure the implementation of Agenda 21, Chapter 2, Section A, in particular its paragraph 2.10.

36. With regard to the CTD report to the Council, Mexico believed that this should be factual and should reflect the progress made in the Committee. The Informal Paper prepared by the Secretariat was, in principle, a good basis for such a report.

37. The representative of the European Communities said that the CTD should be a liaison between the EMIT Group, which had a normative rôle, and the fora outside the GATT, such as the Commission on Sustainable Development and UNCTAD. The CTD should be the GATT forum for discussing the sustainable development, environment and trade interface in a comprehensive manner, thus providing the background for the work in the EMIT Group.

38. The Community believed that the title of Agenda 21, Chapter 2 -- "International Co-operation to Accelerate Sustainable Development in Developing Countries and Related Domestic Policies" -- covered different concepts. One of these was sustainable development. While the Community was favourable to the definition given in Rio to this concept, and which had been recalled by India, account should be taken that this concept also contained other elements. Thus ensuring sustainable development implied the recognition of the need for access to clean technologies. In this respect, it should be kept in mind that the technological delay that existed in developing countries was much more significant than in developed countries. Therefore, the debate in the CTD should take account of the need to ensure the necessary transfer of clean technologies to developing countries.

39. The Community shared the view of developing countries that the problems related to trade, environment and sustainable development should be resolved through international cooperation. The CTD should clearly recognize the importance of the programme for international action on environment which was the basis for ensuring that the GATT and multilateral environment agreements were mutually-supportive. International cooperation should aim at achieving a relationship between the GATT and multilateral environment agreements which would eliminate any incompatibilities between the multilateral trading system and individual or collective measures for environmental protection. Trade liberalization and environmental protection should not be considered as antagonistic policies. On the contrary, they both had a common purpose, which was the promotion of sustainable development -- a concept which involved many aspects -- in both developed and developing countries. The expansion of trade should be reinforced by the adoption of appropriate domestic policies, sound from the environmental viewpoint. As indicated in Agenda 21, Chapter 2, paragraph 2.14(c), in the long-term commodity prices should reflect their cost of production, taking into account the cost of resources as well as environmental costs.

40. The Community believed there was a consensus that the GATT had no competence to draw up ecological standards or review priorities established by various countries in the area of environmental protection. The GATT was not an obstacle for adoption of appropriate environmental policies. However, it was important that a fundamental rule was respected, namely that a country could not unilaterally restrict imports if the damage caused to the environment did not take place on its own territory. As to the unilateral trade restrictions taken on an extra-

territorial basis, the Community acknowledged that such measures might have an adverse impact on developing countries' exports. In this respect, the fundamental question of equity should be examined in order to give an additional meaning to Part IV. These provisions were relevant to the discussion on trade and environment and it was important to determine how to give them an additional meaning in order to take into account environmental issues, since Part IV had been drafted at a time when only two elements were considered, namely trade and development. In this connection paragraphs 2.22(g), (h) and (i) of Agenda 21, Chapter 2 recognized that environmental standards valid in most developed countries might be inappropriate and have unwarranted social costs for the developing countries. Moreover, UNCED encouraged the participation of developing countries in multilateral agreements through such mechanisms as special transitional rules in order to take into consideration their conditions and special needs. The Community shared this view but wished to underline that this matter should be examined in a dynamic perspective, i.e., that developing countries, with their progressive development, should gradually adopt the same environmental standards as developed countries. Consequently, developed countries would adopt a number of environmental standards in accordance with international environmental agreements, while developing countries would apply, during a certain period of time to be agreed upon, less tight environmental standards with a view to adhering to international agreements in the future.

41. This concept implied that in the long-term developing countries would gradually seek to undertake fuller responsibilities in the pursuit of global environmental objectives. It would be in the interest of developing countries themselves to shorten the transitional period and to adhere to multilateral agreements or apply standards similar to those in developed countries. If such transitional periods were extended, this would create the risk of transferring non-green, or polluting industries, to developing countries. This would lead to increased pollution and additional obstacles to exports of products being manufactured under such conditions to developed countries. The Community also believed that the international community should be less tolerant of those countries which would hesitate to undertake necessary responsibilities in the pursuit of global environmental objectives.

42. With regard to the CTD report to the Council, the Community favoured a factual report reflecting the views expressed by Committee members. The CTD should also provide a substantive input to GATT's contribution for the next Session of the Commission on Sustainable Development.

43. The representative of Colombia said that his delegation attached great importance to the CTD's discussion on trade and environment, and stressed the need to adhere to UNCED's recommendations and the results of the Rio Conference, since it was not possible to separate the work in this Committee from the essential principles contained in the Rio Charter. He drew attention to the orientations provided in Agenda 21, Chapter 2 in connection with the rôle of international cooperation in accelerating sustainable development in developing countries which should constitute the framework for discussions in the CTD.

44. Regarding the trade, environment and sustainable development interface, Colombia believed that the Committee should focus on differences in the level of development and the validity of norms and standards in developing countries as compared to developed countries. In the area of market access, two main objectives should be pursued: to conclude the Uruguay Round rapidly; and, to produce initiatives elaborated in informal discussions, especially in connection with the positive aspects of the inter-relationship between trade and environment. This included new trade opportunities for developing countries through the promotion of

environmentally-friendly products. Colombia also favoured the reactivation of the Sub-Committee on Protective Measures.

45. With regard to monitoring and data collection, the CTD should draw upon the work done by UNCTAD. However, the Committee could also examine the possibility of monitoring and collection of data on internal taxes and tariff escalation. As to the relevance of Part IV to the concept of sustainable development and the future rôle of the Committee, Colombia believed that the EMIT Group should not be the exclusive forum for dealing with norms and standards. The CTD could also deal with these issues as a priority area while avoiding, however, duplication of work. The report to be submitted to the Council by the Committee should be in line with the Informal Paper prepared by the Secretariat, dated 2 July, which provided a good basis.

46. The representative of Switzerland emphasized the importance of avoiding duplication between the EMIT Group and the CTD and consequently the need of clearly defining the rôle of the latter in dealing with matters relating to sustainable development. His delegation believed that the five main topics, which had been discussed in previous informal consultations of the Committee, could provide the basis for a well-structured debate in its formal sessions. Recalling that UNCED had adopted five agreements and treaties which pointed out clearly the interdependence between environmental and developmental policies, the representative stressed that the sustainable management of the environment called for a coherent set of economic, social and environmental policies in all decision-making at national and international levels in both developed and developing countries. Given the different economic, social and cultural conditions, countries had different policy priorities. Nevertheless, all countries had to fulfil their responsibilities -- which in many instances might vary from country to country -- and contribute to the common goal of sustainable development. The specific trade and environmental measures taken to reach this goal might, however, not be the same for developed and developing countries.

47. Referring to the objectives set out in Agenda 21, Chapter 2, Section A, the representative recalled that the first objective was to promote an open, non-discriminatory and equitable multilateral trading system that would enable all countries, in particular developing countries, to improve their economic structure and the standard of living of their populations through sustained economic development. Switzerland believed it was crucial for developing countries to fully integrate themselves in the multilateral trading system and therefore welcomed the active participation of developing countries and the involvement of countries with economies in transition in the Uruguay Round. A failure of the Uruguay Round would, undoubtedly, have negative consequences on the development of developing countries, and the loss of welfare resulting from a restrictive multilateral trading system would have a negative impact, especially in terms of environmental degradation, in developed and developing countries. Therefore, Switzerland was convinced that a successful conclusion of the Uruguay Round would be an important first step towards the above-mentioned objective.

48. As regards the second objective which called for improving the market access for exports of developing countries, the Uruguay Round could again make an important contribution by improving market access in sectors of particular interest to developing countries, such as tropical products and natural resource-based products. In this respect, not only the reduction of tariffs but also the elimination of non-tariff barriers were important for developing countries and countries with economies in transition. The third objective emphasized the need to improve the functioning of commodity markets and achieve sound, compatible and consistent commodity policies at national and international levels with a view to optimizing the contribution of the commodity sector to sustainable development, taking into account environmental considerations. At

international level the GATT system and the successful conclusion of the Uruguay Round would have an important impact on the functioning of commodity markets. International cooperation was also crucial for the achievement of that objective. However, international policies based on international agreements could be effectively implemented only if corresponding national policies were adopted. It was clear that promoting international specialization and competition and encouraging technological progress, open trade and open investment policies raised productivity and improved efficiency, including the efficient use of environmental resources in developing countries. Therefore, in the long-run liberalized trade fostered greater economic efficiency and higher productivity and could reduce pollution by encouraging less-polluting industries and recourse to clean technologies.

49. The last objective called for the promotion and support of national and international policies that made economic growth and environmental protection mutually supportive. From the GATT perspective, this meant that the multilateral trading system should ensure that its rules supported sustainable development in developed and developing countries. Switzerland believed that the existing GATT rules relating to developing countries, in particular Article XVIII and Part IV, were relevant to the concept of sustainable development and provided an adequate framework for the promotion of this concept. For example, the principles laid down in Part IV, Article XXXVI, paragraphs 2, 3 and 6 -- which recognized the need for a rapid and sustained expansion of the export earnings of developing countries, the need for positive efforts designed to ensure that these countries secured a share in the growth of international trade commensurate with the needs of their economic development, as well as the need for close and continuing collaboration between the contracting parties and the international lending agencies, so that they could contribute effectively to alleviating the burden that developing countries assumed in the interests of their economic development -- might be met by following the path of sustainable development.

50. The achievement of the objectives set out in Agenda 21, Chapter 2, Section A required cooperation among countries at an international and regional level in order to coordinate their efforts. In this connection, the Commission on Sustainable Development, which had the mandate to monitor and review the process of implementation of Agenda 21 in an integrated and coordinated way, had also an important rôle to play. Switzerland believed that the rôle of the CTD should be to analyze the development aspects of the concept of sustainable development, while aspects related to environment and trade in general should be the main concerns of the EMIT Group.

51. The representative of New Zealand said that various provisions of Agenda 21, including the Introduction and Section A of Chapter 2, indicated that the international community placed considerable emphasis on the rôle of the trading system and trade liberalization in all countries in promoting sustainable development through encouraging efficiency and equity in the global economy. While specific circumstances and policies of countries might be different, sustainable development involved economic and environmental principles applicable to all countries. New Zealand shared the point of view that the greatest single contribution that contracting parties could make towards this objective was an early, balanced, comprehensive and successful outcome of the Uruguay Round negotiations. UNCED had also stressed the need for trade and environment to be mutually supportive. This aspect was under active and continuous consideration elsewhere in the GATT system. Section A of Chapter 2 contained many references to the rôle of markets and market access and to the need for sound macroeconomic and environmental policies. Markets worked to further the efficient allocation of resources and, through trade, the resource efficiency in domestic markets was extended to the international level. This was the case for traded goods

and, to a lesser extent, for non-traded goods. In addition to increasing global efficiency of resource allocation through reducing barriers to access in existing markets, it would be necessary, in the longer term, to consider the evolution of new markets or market-based solutions to deal with emerging environmental challenges. Where those challenges were global or trans-boundary in nature, trade had again a vital rôle to play in internalizing costs in the appropriate context, including at the global level. The Uruguay Round results should better enable the multilateral trading system to fully contribute to this process.

52. Referring to the suggestion made by other delegations that the CTD begin its work on UNCED's follow-up through engaging in monitoring and data collection, the representative recalled the need to clarify what data sources would be used and whether the monitoring exercise would be effects or measures based. New Zealand also considered it important to avoid duplication in work between the EMIT Group and the CTD. In this connection, it shared the view that rules-based consideration should be pursued in the first instance through the EMIT Group, with the active participation of all contracting parties, while the CTD should focus on matters related to sustainable development.

53. The representative of the United States shared the view that a successful and balanced conclusion of the Uruguay Round was the single, greatest contribution the GATT could make to realizing the goals set out for it by UNCED. Her country attached great importance to the conclusion of the Round and was committed, along with the other contracting parties, to achieving that objective by the end of this year. Regarding the possible contribution of the CTD to UNCED's follow-up, the representative recalled that the central message coming out of the Rio Conference was that the time was long overdue for policy integration of environment, development and trade. Countering previous strains of thought that growth was inherently inimical to the environment, UNCED's response had been that with the appropriate mix of policies in the three areas, growth was, in fact, an important part of the solution to environmental degradation. UNCED's results had recognized that eradication of poverty was a substantial and important element to improve environmental protection. At the same time, UNCED had noted that the eradication of poverty had to be based on a pattern of growth that was sensitive to the environment, otherwise such growth could not be sustainable and future generations would come to pay the price. Finally, UNCED had recognized that trade, in conjunction with appropriate environmental policies, would make an important contribution to promoting sustainable development.

54. The rôle of a proper mix of environmental, development and trade policies was crucial. Therefore, the United States would endorse an idea put forward by Brazil regarding the examination by the Committee of ways through which developing countries could take advantage of positive environmental action to increase trade and their access to markets. This was a very good and pragmatic study that the Committee could undertake in order to identify positive ways in which trade, development and the environment could be related. The United States also believed that the Committee could usefully look at policies in developed and developing countries to maximize the benefits of trade liberalization for sustainable development. This suggestion was put forward in earlier informal meetings in papers prepared by the Secretariat, and the United States continued to believe that it should be pursued in the Committee's work. The Committee should continue to be an active forum for discussing issues of interest to developing countries adding now the environment to the relationship between trade and development. Finally, the representative said that the Informal Paper prepared by the Secretariat for this Session, dated 2 July, was a good basis for the Committee's report to the Council in November.

55. The representative of Hong Kong reiterated the importance attached to the issues under discussion. The previous informal consultations had proved to be useful in identifying the parameters of these issues and had been accurately summarized by the Secretariat in its Informal Paper. That Paper should form the basis for further in-depth discussions.

56. Hong Kong believed that in order to achieve effective and meaningful results, the CTD should adopt a practical approach in proceeding with its future work within its terms of reference. At the present stage, the CTD should continue to carry out the fact-finding exercise in the following two areas: (i) identification of the practical problems faced by developing countries in terms of sustainable development and the trade-related environmental measures that have an impact on their sustainable development; and (ii) examination of the relevance of existing GATT provisions related to developing countries, and in particular Part IV, to the concept of sustainable development. In this respect, further deliberations on certain topical subjects would be useful, e.g., a study on market access for environmentally-friendly products, operation of market forces, transfer of technologies in developing countries. In the light of the fact-finding exercise, the CTD could then decide on the appropriate recommendations to be made to the Council. The rôle of the CTD in the area of trade and environment should be complementary to the EMIT Group and should focus on the special attention to be given to the needs of developing countries with the ultimate goal of confidence-building. The CTD should also coordinate its work with other international fora such as UNCTAD and the ITC.

57. The representative of Bangladesh expressed appreciation for the work carried out by the Committee on the follow-up to UNCED. While environmental issues and the concept of sustainable development were being discussed in various international fora, such as GATT and UNCTAD, the basic issue of resources required to protect the environment in developing countries had not yet been tackled, on the grounds that these fora did not have the mandate to deal with such issues. This was a matter of serious concern, in particular for the least-developed countries which did not have the necessary resources to achieve sustainable development. The representative hoped that more fruitful cooperation would be established in this area and that the results of the Uruguay Round would fully take into account the special development needs of the least-developed countries and ensure special and more favourable treatment for them.

58. The representative of Austria said that recent discussions, both within GATT, namely at the July 1993 meeting of the EMIT Group which addressed the question of the UNCED follow-up, and outside GATT, at the first substantive session of the Commission on Sustainable Development in June 1993, as well as at the July session of the ECOSOC, had clearly demonstrated the importance attached by the international community to the inter-relationship between sustainable development and trade. Austria believed that achieving sustainable development would necessitate integrated economic, social and environmental policies and approaches at the national and, in particular, international level. As it had been made clear in the Rio texts, countries carried common, although different responsibilities for contributing to the achievement of sustainable development. This clearly implied that mutual confidence, international cooperation and, in as far as possible, international consensus would be prerequisites for progress in the development of the "new global partnership" called for in Agenda 21.

59. In carrying out its work on trade and environment issues, the CTD was under two time constraints. One was the need to report on progress made to the GATT Council which would carry out its overview of the UNCED follow-up in November. Presumably the Committee's report could not be more than a factual progress report. The other time constraint was related to the decision of the Commission on Sustainable Development concerning its multi-year work

programme, which had placed the critical elements of sustainability, with special reference to chapters 2 and 4 of Agenda 21, on the top of the agenda for its next substantive session in May 1994. The CTD would therefore have to undertake its work with long-term objectives in mind, but also keeping in mind the contribution that it could make in the remaining period of time to the Council's overview. The GATT should also use the opportunity of making a substantive contribution for the May 1994 Session of the Commission on Sustainable Development. In this connection, it would be useful to invite representatives of the Commission, either its Chairman, Amb. Razali (Malaysia), or the UN Under-Secretary General responsible for coordination for sustainable development, Mr. N. Desai, to address the Committee in future.

60. Paragraph 2.7 of Chapter 2 emphasized that "in agriculture, industry and other sectors there is scope for initiative aimed at trade liberalization and policies to make production more responsible to environment and development needs. Trade liberalization should therefore be pursued on a global basis across economic sectors so as to contribute to sustainable development". Such considerations should be at the centre of the Committee's analysis, and Austria remained convinced that the single most important contribution that GATT could bring in the short-term to the achievement of the objectives set out in the Rio documents would be a rapid and successful conclusion of the Uruguay Round. The work, however, should not end there, as the tasks established by the CONTRACTING PARTIES for the implementation of UNCED's results went much further. The EMIT Group had already embarked upon an extensive assessment and analysis of the GATT system. The CTD should at all costs avoid duplicating the work in the EMIT Group and in other fora, such as the Commission on Sustainable Development, UNCTAD or the ITC. Austria believed that the CTD's rôle should be different, less legalistic and more forward-looking. While all the points included in the Informal Paper by the Secretariat were of equal importance, the question of "relevance of existing GATT rules relating to developing countries, including Part IV, to the concepts of sustainable development, environment and trade" warranted, however, specific emphasis in the future analytical work of the Committee since that question was clearly within its terms of reference.

61. The representative of Korea said that following the UNCED, sustainable development had become a priority item not only in international fora but also in the decision-making process at national levels. In its introduction, Chapter 2 of Agenda 21 rightly pointed out that both economic policies of individual countries and international economic relations had great relevance to sustainable development. Given the growing international interdependence, a country could not achieve its own sustainable development successfully without taking into account other countries' concerns for environment and development. In this regard, multilateral cooperation rather than unilateral trade measures should be encouraged to cope with the global challenge of sustainable development. Strengthening a free and non-discriminatory multilateral trading system through the successful conclusion of the Uruguay Round negotiations would clearly contribute to increasing sustainability by enhancing the rôle of market forces. On the other hand, as public concern for environmental protection was increasing, the demand for governmental intervention, especially when the market failed to meet environmental necessities, would also increase. Therefore, a matter to be carefully considered was the possibility of providing legitimate governmental support to the industries concerned so that they developed in a sustainable way. Korea also believed that the CTD should continue to study issues pertaining to sustainable development and their implications, particularly from the developing countries' perspective, thus complementing the work in the EMIT Group. A first possible step in this direction would be to establish a rôle for the CTD, in collaboration with UNCTAD and the ITC, in data collection and monitoring of environmental trade measures which might pose barriers to market access for exports of developing countries.



62. The representative of Singapore, speaking on behalf of the ASEAN contracting parties, said that he intended to revert to the matter at hand at the next meeting of the Committee after having studied the presentations made by UNCTAD and the ITC. The ASEAN countries fully shared the statement by Bangladesh on the issue of resources and its importance for developing countries' access to clean technologies. This was the key issue that had to be addressed, but, of course, not by GATT alone. However, GATT could make a vital contribution in this regard by concluding the Uruguay Round.

63. The representative of Brazil inquired whether the Chairman intended to hold informal consultations on the question of monitoring and data collection. He also sought clarification as to the possible follow-up to his suggestions concerning an analysis of internal taxation on tropical products and tariff escalation. The Chairman said that the points and suggestions made by Brazil had been duly noted and would be reverted to in due course.

64. The Committee took note of the statements.

Item (ii): Review of the implementation of the provisions of Part IV and of the operation of the Enabling Clause

65. The Chairman recalled that for the purpose of the review at the present Session, the Committee had before it notifications received from Australia, Austria, Japan, New Zealand and Sweden concerning their respective GSP schemes. The Committee also had before it a notification by the ASEAN contracting parties on trade cooperation among themselves which had been submitted in pursuance to the provisions of the Enabling Clause at the November 1992 Session of the Committee (L/7111), together with a recent notification (L/7111/Add.1) providing additional information on this subject matter. The Chairman further recalled that at the November 1992 Session, Committee members had been informed that the ASEAN countries had decided to introduce a concession scheme, the so-called Common Effective Preferential Tariff Scheme (CEPT), to be implemented as from 1 January 1993. The implementation of the Scheme would be staged over a period of fifteen years with the aim of achieving a free-trade area among ASEAN member States. At the November 1992 Session, the Committee had invited its Chairman to hold informal consultations on this matter in order to discuss the provisions under which this ASEAN Agreement would be examined. During these consultations the ASEAN countries had provided additional information and clarifications on the status of their trade cooperation.

66. The Chairman also recalled that at the November 1992 Session, the Committee had requested its Chairman to conduct further informal consultations on the question of the extension of GSP treatment to Central and Eastern European Countries and former republics of the USSR. During the informal consultations the difference in views as to the appropriate legal basis for such action persisted. According to one view, the provisions of the Enabling Clause, which were available to developing countries, did not offer the appropriate legal basis for extending GSP treatment to Central and Eastern European countries or former republics of the USSR. Another view had been that the preference-giving countries were entitled to extend GSP treatment to countries with economies in transition under the Enabling Clause, since those countries had had a similar economic situation to that of developing countries and had thus been accorded similar status. Under these circumstances the Chairman suggested that the Committee took note of the views expressed and agreed to revert to this matter at a later stage, as appropriate.

67. The representative of Singapore, on behalf of the ASEAN contracting parties, recalled that the Asean Preferential Trading Arrangements (PTA) signed in 1977 had been notified to GATT that same year and had been examined by a working party. In January 1979, the CONTRACTING PARTIES had adopted the report of the Working Party on the PTA and had decided that "notwithstanding Article I of the General Agreement, the PTA may be implemented and any modifications pursuant to the PTA be notified" (L/4735). Following the adoption of the Enabling Clause by the CONTRACTING PARTIES in November 1979, and in accordance with the relevant provisions of this clause, ASEAN had submitted reports on the implementation of the PTA to the Committee on Trade and Development. At the fourth ASEAN Heads of Government meeting in Singapore in early 1992, it had been decided to further improve the preferential trading arrangement, and the Common Effective Preferential Tariff Scheme (CEPT) had been drawn up to achieve accelerated tariff reductions in a wide range of sectors. The CEPT scheme had been notified to GATT in document L/7111 and additional information on this scheme had been provided in document L/7111/Add.1. ASEAN countries were in the process of submitting their detailed tariff reduction programmes to the ASEAN secretariat in Djakarta which would notify to the CTD the compiled schedules as soon as possible.

68. The representative of the United States welcomed the ASEAN contracting parties' information on their CEPT and looked forward to the detailed submission of the tariff reduction programmes when further clarification might be needed. Her delegation reserved its rights under the GATT in terms of a request for a further examination of the ASEAN notification.

69. In response to a question regarding the difference in the pace of tariff reduction to be implemented by individual ASEAN countries within the fast track, the representative of Singapore, on behalf of the ASEAN contracting parties, stated that the distinction was meant to allow countries which were not able to table their schedules by 31 July 1993 to have a further grace period.

70. The representative of Egypt welcomed the notifications on the Generalized System of Preferences by preference-giving countries. He also welcomed the expansion of country and product coverage, but expressed regret that the short validity of the schemes did not provide stability for developing countries' trade. As to the extension of GSP schemes to Central and Eastern European Countries and former republics of the USSR, he reiterated his delegation's position that such an extension to other countries than developing countries had no legal coverage under the Enabling Clause. In view of their economic situation, these countries should receive special treatment, but under other GATT provisions. His delegation would continue to contribute to further discussions on how best this delicate matter could be resolved.

71. The representative of Brazil took note that the issue on the extension of GSP schemes to Central and Eastern European Countries and former republics of the USSR would be dealt with in future, as appropriate. His delegation maintained its interest in the matter and the previous discussions in the Committee had underlined the importance of trying to find a legal solution for the problems and doubts highlighted by Brazil. His delegation looked forward to future discussions on this issue.

72. The Chairman said that this matter would be subject to further informal consultations.

73. The Committee took note of the notifications received from Australia (L/7205 and Add.1), Austria (L/7122 and Add 1-3), Japan (L/7035/Add.1), New Zealand (L/7073/Add.1) and Sweden (L/7075/Add.1) concerning their respective GSP schemes. The Committee also took note of the

notification submitted by ASEAN (L/7111 and Add.1) and agreed that it might revert to it at a later stage, as appropriate. The Committee also took note of the statements made under this item of the Agenda.

Item (iii): Work of the Sub-Committee on Trade of Least-Developed Countries

74. The Chairman recalled that the Sub-Committee was reviewing periodically the trade and payments situation of least-developed countries and developments on trade policy of particular interest to them. The last review had been carried out at the fourteenth meeting of the Sub-Committee on 6 May 1993. The Committee took note of the Note on the proceedings of that meeting (COM.TD/LLDC/15).

75. The Chairman expressed the Committee's appreciation for the work carried out by the Sub-Committee under the Chairmanship of Ambassador E.C. Selmer (Norway).

Item (iv): Other Business

76. The Chairman, speaking under "Other Business", informed the Committee that he had carried out informal consultations with interested parties to designate the Chairman of the Working Party on MERCOSUR. He informed the Committee that Amb. C. Manhusen (Sweden) had agreed to serve as Chairman of the Working Party. Membership of the Working Party would be open to all interested delegations wishing to serve on it.

77. The Committee took note of this information.

Next meeting of the Committee

78. The Chairman proposed that the Committee be convened in October in order to continue the consideration of trade and environment matters and to prepare its contribution to the Council overview of the follow-up to UNCED to be carried out in November. The Committee could reconvene in early November to consider other matters which were regularly on its Agenda, including the review of participation of developing countries in the multilateral trading system. The Committee could then meet a few days later, for half a day, to adopt its report to the CONTRACTING PARTIES. The final dates of the meeting would be determined by the Chairman in consultation with delegations and the Secretariat, taking particularly into account the evolving programme of work for the Uruguay Round negotiations.