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**CONTRACTING PARTIES
Fiftieth Session**

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

Chairman: H.E. Ambassador Ernesto TIRONI (Chile)

Introduction

1. The Committee on Trade and Development has met once since the Forty-Ninth Session of the CONTRACTING PARTIES in December 1993. The Seventy-Seventh Session of the Committee was held on 21 and 25 November 1994 and the following items were on its agenda: developing countries' participation in the international trading system (including the review of the implementation of the provisions of Part IV and the operation of the Enabling Clause); technical assistance to developing countries in the context of the Uruguay Round; and work of the Sub-Committee on Trade of Least-Developed Countries (LLDCs).

Item (i): Developing countries' participation in the international trading system

2. For the review of the implementation of the provisions of Part IV and of the operation of the Enabling Clause, the Committee had before it notifications received from Australia (L/7205/Add.2), Austria (L/7122/Add.4-7), the EEC (L/7326), Japan (L/7035/Add.3-4 and Add.4/Corr.1), New Zealand (L/7073/Add.3-5), Norway (L/7042/Add.3-6) and the United States (L/7074/Add.2 and 3), concerning their respective GSP schemes. The Committee also had before it notifications received from the ASEAN member States (Documents L/7491, and L/7546 and Add.1).

3. The representative of Brazil noted that changes in the GSP scheme of Australia were regrettable as it was now open only to LLDCs for many products. The representative of Australia pointed out that changes in his country's GSP scheme were to be seen in the context of a significantly decreased general rate of tariffs. By 1996, Australia's tariffs for industrial products would be approximately 5 per cent on average, and there would be many duty-free tariffs. The Committee took note of the notifications concerning the GSP schemes and of those received from the ASEAN member States.

4. Under the heading of developing countries' participation in the international trading system, Mr. J. Seade, Deputy Director-General, noted that the importance of increasing the participation of developing countries in the trading system had been recognized by the recent creation (or re-creation) within the Secretariat of a Development Division, which would focus attention on matters relating to trade and development in general, and provide Secretariat support to this Committee. Within that Division, and responding to repeated requests made by least-developed countries, a special Unit for LLDCs had been created. This Unit would provide focal attention to LLDCs in the work of the Committee. It would deal with studies and other initiatives on trade policy issues of general interest to least-developed countries as a group, and coordinate such activities in relation to other international

organizations. He also indicated that the Technical Cooperation and Training Division maintained its full responsibilities and continued to be the focal point for all technical assistance for developing countries, including the least-developed countries, and remained the main point of call and working support at the individual country level. The Deputy Director-General described the purpose and content of the documentation prepared by the Secretariat for the meeting.

5. The representative of Bangladesh stressed the importance of trade to the least-developed countries. He also acknowledged the creation of the Development Division, and expressed the hope that the Division would take fully into account the development dimension of trade for developing countries in general. Commenting on the documentation made available for the meeting, he indicated that in his view, the figures reproduced therein were over-optimistic. He referred, in particular, to the IMF estimate of the estimated overall growth of LLDCs of 4.6 per cent in 1994 as reproduced in COM.TD/W/513. He also noted that focus should be given to the implementation of the Uruguay Round provisions relating to least-developed countries.

6. The Chairman recalled that Part IV of the GATT [XXXVI:3] pointed to the "need for positive efforts designed to ensure that less-developed contracting parties secure a share in the growth in international trade commensurate with the needs of their economic development", and that the CONTRACTING PARTIES had been called to keep "under continuous review the development of world trade with special reference to the rate of growth of the trade of less-developed contracting parties" [XXXVIII:2(d)]. This had been part of the mandate of the Committee since its creation. He invited the Committee to address the subject of "Developing countries' participation in the international trading system" by responding to questions such as whether developing countries had increased their participation in international trade today in compared with the mid-sixties, and whether international trade had played a positive role in their economic growth. These questions were particularly relevant at a time when the new World Trade Organization (WTO) was being created, in which developing countries would undoubtedly play a major role. It was time to start reviewing the past with a view to identifying possible action in the future. To serve as a basis for the discussion, the Committee had before it two documents prepared by the Secretariat. One was a description of the major trends in output, trade and finance of the developing countries entitled *Notes on Participation of Developing Countries in the World Trading System* (Document COM.TD/W/513). The other outlined aspects of the outcome of the negotiations for developing countries. It was entitled *Developing Countries and the Uruguay Round: An Overview* (Document COM.TD/W/512). To structure the discussion, the Chairman proposed that four members of the Committee should act as discussants to open the debate: two representatives from developed countries, a developing country representative and a representative from a least-developed country.

7. In his capacity as the first discussant, the representative of Switzerland stated that the Committee on Trade and Development should adopt a forward-looking approach. In general terms, the conclusion of the Uruguay Round had led to a number of successes. It had increased business confidence, it would increase trade and investment opportunities, and consequently revenues and prosperity, benefits that would stem from the opening up of market access not only in developed but also in developing countries. He considered, however, that the greatest advantage of the Uruguay Round for developing countries, as well as for small and medium-sized developed countries such as Switzerland, would no doubt be the improvement in the rules of global trade. The endorsement of the Uruguay Round results would present an ambitious challenge for all future members of the WTO, a challenge which comprised two stages: firstly, the entry into force of the WTO and secondly, the implementation of the commitments undertaken during the transitional periods negotiated. The credibility of the multilateral trading system - which was necessary if it was hoped to make the system an instrument for truly effective development - would depend on the way in which implementation took place.

8. The representative of Switzerland was aware of the fact that the opportunities for benefiting from the results of the Uruguay Round would be distributed unevenly. The new and improved

framework of international trade would be exploited more easily by countries already integrated in the world market. In principle, the capacity of a country to adapt to the new environment would be directly linked to its openness to trade. For some developing countries, and especially for the least developed, the situation would be less easy. Consequently, appropriate action should be taken - both at the national and international levels - to ensure that all countries were able to participate in the multilateral trading system and such action should be based on two elements: one defensive, and the other offensive. Defensive action would be the progressive implementation by developing countries, particularly the least developed, of the reforms agreed upon during the negotiations. Offensive action was the most important and Switzerland considered in this connection that the efforts made by developing countries, especially the least developed, should be effectively supported by programmes of assistance both by individual countries and by international institutions. Such measures should be the subject of effective coordination. It was thus important to promote constructive dialogue among the organizations concerned: UNCTAD, ITC, World Bank, IMF, WTO, etc. Least developed countries should be helped to strengthen and diversify their production and export bases and to reform their institutional, legislative and administrative mechanisms so that they were better able to participate in the multilateral trading system. More specifically, Switzerland was currently analysing how to adapt its cooperation instruments to bilateral developments in order to take into account the new situation arising from the entry into force of the WTO. Switzerland would finance technical assistance to help certain developing countries implement the Uruguay Round Agreements and also to improve some of their trade instruments. Numerous multilateral cooperation activities, particularly with respect to trade promotion, would also be necessary. Given that funds were in short supply, coordination of activities was essential to avoid duplication. According to his authorities, the first matters that should be dealt with urgently included recourse to the ITC for technical cooperation activities related to trade promotion (GATT should concentrate its efforts on assisting developing countries to implement the Uruguay Round results) and speedy clarification of the relations of the future WTO with the ITC, which now had a new direction and was regaining its past dynamism. His country favoured the continuation of a dual WTO/UNCTAD responsibility for the ITC, provided that solutions were found to remedy past difficulties and that this matter, which was on the agenda of the Preparatory Committee, was dealt with seriously and without delay. As a third focus for action, WTO Members should take into account UNCTAD's programme on trade efficiency, a highly innovative initiative which had proved very timely. The conclusion of the Uruguay Round, and the end of cold war had shown that only one economic system - the market-based economic system - had a future, and all countries should be able to benefit from it.

9. In order to increase developing countries' participation in the post-Uruguay Round trading system, the representative of Switzerland said that urgent action was also needed to ensure the consistency and coherence of policies; in other words, to ensure that decisions taken in different forums did not conflict. Several rapid and simple means could be utilized to encourage such coherence, for example, the participation of WTO officials, as trade policy experts, in missions and in the preparation of reports by the World Bank (e.g. structural adjustment programmes with a substantial trade component). Likewise, the IMF, which did not employ outside experts for its Article IV consultations, could request an analysis of relevant trade questions from WTO before undertaking consultations. The IMF could also discuss the results of the consultations with WTO experts before the relevant report was issued, it being understood that the World Bank and the IMF remained fully responsible for the recommendations contained in the report. The WTO as an institution would not be involved, even if it placed officials at the disposal of the Bretton Woods institutions. In the same way, IMF specialists could participate, as macroeconomic experts, in the preparation of TPRM reports. Responsibility for the reports would be assumed by the WTO alone. These procedures could be institutionalized through a cooperation agreement between the organizations concerned.

10. Finally, the global economy was at a historic turning point: the State was generally moving away from direct intervention in the economy and leaving the place it had occupied to the private sector. Members of the WTO should help developing countries to expand the private sector. Bureaucrats from

the public sector in industrialized countries or international civil servants should not be called upon for that task. The private sector of industrialized countries should increasingly be involved in the elaboration and implementation of cooperation processes aimed at providing developing countries with the means necessary to exploit the opportunities offered by the Uruguay Round results.

11. As the second discussant, the representative of Madagascar expressed her country's support for, and positive contribution to, the successful outcome of the Uruguay Round. She stressed her confidence in the coming WTO and the new multilateral system of trade rules, and noted that Madagascar had fulfilled all the necessary conditions to become an Original Member of the WTO. She made reference to the four Ministerial declarations or decisions of the last 15 years, which recognized LLDCs' difficult economic situation and their distinct needs in the development, finance and trade fields, and the several other initiatives in favour of the LLDCs taken within the GATT framework. All those initiatives demonstrated repeated concern; they should be seen against the backdrop of macro-economic disequilibrium and very low levels of development in LLDCs. She said the Secretariat document COM.TD/W/513 pointed to a certain parallelism between trade expansion and economic growth. LLDCs were not only the poorest countries, but they were becoming poorer every year, both in relative and absolute terms, as income per head had been decreasing continuously. On the trade side, the document pointed to the very low participation of LLDCs in world trade which had been steadily declining.

12. The representative of Madagascar posed the question whether even after the two Ministerial Decisions in the Uruguay Round recognizing the special needs of the LLDCs, and the special provisions for more favourable treatment, the situation in LLDCs would continue. She asked what action would be taken to ensure that trade would make a positive contribution to development in the LLDCs as it had in other countries. She referred to the impressive quantitative results of the Uruguay Round, as estimated by several organizations (including the GATT Secretariat), and noted that countries which could benefit from them would be those most able to respond to the new trade opportunities, and with domestic economic and trade policies most adequate to deal with the new international environment. In her country, as well as other LLDCs, production structures had a low adjustment potential, meaning that they could not take advantage of trade opportunities without international financial support. LLDCs also had difficulties in finding their way through the complex mass of trade rules resulting from the Uruguay Round. She also noted that the adjustment costs arising from the loss in preference margins were real, and hardly compensated for in the medium run through new trade opportunities. Though a fuller integration of LLDCs in the international trading system would depend upon domestic efforts, it would be greatly facilitated by the implementation of provisions in favour of LLDCs, and by continued support from other countries and the Secretariat.

13. The representative of Madagascar recognized that the difficulties faced by her country and other LLDCs were related not only to trade, but also to finance and money, and stressed the vital links between these three areas. She expressed the wish that future international actions in favour of LLDCs be well coordinated, and made reference to the Ministerial Declaration on the Contribution of the World Trade Organization to Achieving Greater Coherence in Global Economic Policymaking. This Declaration called for cooperation between the WTO, IMF and the World Bank (without cross-conditionality). Strengthened links with UNCTAD were also important, and concrete measures to approach LLDCs' economic development on a global basis were necessary.

14. As the third discussant, the representative of Australia said that the Secretariat documentation for the meeting provided an excellent summary of the benefits of the Uruguay Round outcome for developing countries (COM.TD/W/512). He drew attention to the market access results and the fact that the weighted tariff average for non-agricultural products in developed countries would be only 3.8 per cent after the implementation of the Uruguay Round results. He identified a number of product categories of export interest to developing countries where there had been tariff reductions ranging from 34 per cent to 69 per cent. He also noted that in the area of textiles and clothing, significant

benefits would come from the phasing out of MFA quotas over the next 10 years. For agricultural products, benefits will also come from tariffication, 100 per cent bindings and a significant reduction of tariff levels. According to COM.TD/W/512, in developed countries, that reduction would be 37 per cent on average for agricultural products and 43 per cent on average for tropical products.

15. The representative of Australia noted that the significant market access benefits in goods would be reinforced by systematic improvements in the rules. That would mean a more effective and open trading system of benefit to smaller countries. For example, safeguard action would have to be consistent with GATT, and in the future, VERs would be eliminated. Conditions under which anti-dumping and countervailing action could be taken and maintained would be tighter, and disputes would be more effectively and speedily resolved in the future. The rules and commitments in the new areas - services and TRIPS - would extend the basic principle of non-discrimination and the dispute settlement mechanism into areas of world trade which would be of increasing importance. Finally, for the first time in any GATT negotiations, the liberalization of border measures would be reinforced by commitments on domestic policies which distorted the allocation of resources and production. New provisions would govern the use of subsidies; in agriculture, commitments had been made in relation to domestic support and export subsidy reductions. He said that the Uruguay Round had delivered an outcome which constituted an important first step in building a genuine global economy in which developed and developing countries alike should be able to benefit from comparative advantage. More remained to be done in future negotiations to move further along the course that had been chartered, and if the pressure needed to achieve this was to be created, the active participation of developing countries in the WTO would be essential.

16. At a very fundamental level, the Uruguay Round was about structural adjustment - undertaking commitments on border measures and subsidies - to reinforce domestic measures of liberalization and deregulation. The Uruguay Round had succeeded because a sufficiently critical mass of developed and developing countries were on a course of domestic reform during the seven years of the Uruguay Round. Market deregulation in the areas of goods and services had made it possible to accept commitments across a broad range of the negotiating spectrum of the Uruguay Round. In the Australian case, the Uruguay Round coincided with the Government's own programme for the domestic reform of industry policy. That programme related to investment, tariff protection, agriculture support and industrial subsidies, as well as the deregulation of key services sectors such as telecommunications and financial services. The same coincidence between domestic reforms and the Round agenda could be found elsewhere in the world; not only in Europe, North America and Japan, but also in the developing countries of Asia and Latin America. He pointed to the importance of dealing with supply constraints - through domestic reform programmes - as a means of maximizing the impetus that trade could provide to growth. The representative of Australia concluded by stating that there was much in the Uruguay Round package of potential benefit to developing countries. Much could be done by many developing countries to derive maximum benefits from the Uruguay Round package by looking increasingly hard at domestic policy reform and the use of the WTO mechanisms in the future.

17. As the fourth discussant, the representative of Argentina said that he would adopt a longer time horizon than that in document COM.TD/W/513, and attempt to answer, first, whether there had been an increase in developing countries' participation in world trade and, second, whether any possible increase in participation had contributed to their development. He then analyzed world trade trends by groups of countries and commodities over the period 1969-1971 to 1990-1992 and examined the share of various regions and countries in world exports during that period. Developed countries had slightly increased their share of world exports to 72.6 per cent, while the developing countries' share increased from 18.7 to 22.9 per cent (or from 19.6 per cent to 24.9 per cent, if China was added). Those increases, he said, were entirely at the expense of the former socialist states of Eastern Europe. He stressed that the growth recorded in developing countries' exports was independent of increases in the share of petroleum-producing countries; the share of the latter group of countries in world trade

had reached a maximum of 7.6 per cent between 1981 and 1983. He also highlighted the changes in export shares in the period 1969-1971 to 1990-1992 within the group of industrialized countries. Shares in world exports for the United States, Japan and, in particular, the European countries (i.e. the present European Union plus EFTA) had increased over the period, while for Canada, Australia and New Zealand the export shares had fallen. The annual average growth rate of developing countries' exports between 1980 and 1990 was 2.2 per cent (excluding China, where exports increased at a 12.4 per cent annual rate) with very strong regional differences being recorded. In Latin America, export growth was almost nil, with only Paraguay and Chile recording a faster expansion than the average world exports (6.1 per cent per year); the majority of countries in the region registered negative export growth rates. A similar phenomenon was to be found in Africa, where over the decade of the 80s only a few countries saw an expansion of their exports equivalent, or superior to, the world average; almost all of them being LLDCs. West Asia, where the majority of countries were petroleum exporters, experienced a sharp drop in the level of exports, with the sole exception of Turkey and Jordan. By contrast, exports from South-East Asian countries increased at very high rates during the same period, ranging from 7.5 per cent in India to a high 16.8 per cent in Hong Kong. These growth rates had been maintained or even accelerated in more recent years. From these figures, he concluded that export growth was centred in only one region of the developing world, where synergies had been generated through the coincidence of policies with strong feedback effects on the process. He drew the attention of the Committee to the fact that strong trade growth had taken place in some countries, including China, where trade liberalization had not been as marked as, for example, in Latin America. He pointed out the important role played in South-East Asian export expansion of exchange rate policies and lower inflation rates; by attracting investment, in particular foreign investment, they had contributed to accelerated technological change and a speedy expansion of export capacity to meet increased world demand.

18. After noting that the evolution of developing countries' imports during the 1980s offered virtually a mirror image of export trends, he proceeded to highlight long-term changes in the share of various product groups in world trade. He considered that to be one of the factors explaining regional differences in developing countries' participation in world trade. Addressing the issue from a longer-term perspective (i.e. the period from 1970 to 1991), he noted that the share in total world trade of three major product groups of particular importance to developing countries had dropped significantly - foodstuffs, other agricultural products, and metals and ores. The share of fuel exports had increased only slightly, but there had been a very significant rise in the share of manufactured exports from 60.9 per cent in 1970 to 72.3 per cent in 1991. The growth of exports of manufactured goods from developing countries was once again almost exclusively concentrated in South-East Asian countries and, to a lesser extent, in China. On the question whether trade growth contributed to the development of developing countries, he said that a correlation between high rates of export expansion and high GDP growth rates could be observed by comparing the corresponding figures for the different regions, and a positive correlation could also be found when comparing those figures to the growth of imports or low inflation rates.

19. The representative of India noted that the developing countries' participation in the multilateral trading system has taken place not because of a conducive trading environment, but in spite of an adverse trading environment. He drew attention to two areas of critical importance to developing countries - i.e. textiles and clothing and agriculture - which remained outside the realm of GATT disciplines and principles. In the area of textiles, the scope and number of restrictions under the MFA showed an increase during the Uruguay Round. The important question could be what would have been the participation of developing countries in the trading system if textiles had been integrated into GATT many years ago. He also noted that tariff reductions agreed upon in the Uruguay Round had mostly taken place on products of export interest to developed countries. The increased tendency to protectionism in developed countries contrasted with the demand for an open, multilateral and non-discriminatory trading system now coming from the developing countries. He underlined that developed countries should have an interest in keeping their markets open to developing countries, they represented

the emerging markets and some of these had proved to be the most dynamic in the world (e.g. some countries in the ASEAN region). Referring to the Agreement on Textiles and Clothing, he said that while there was a commitment to dismantle over ten years the arbitrary regime that had been in place over a long period, the integration programmes announced by the U.S., EU and Canada were not commercially meaningful. Developed countries were delaying their necessary domestic adjustment in this sector.

20. The representative of Brazil said that the commitments of the developing countries taken during the Uruguay Round would have to be seen in parallel with those of the developed countries. As indicated in COM.TD/W/510, the parts of the Agreements referring to recognition of developing countries' interests were much larger than those referring to fewer obligations or to longer implementation periods. He noted that there was no column provided for in the document for positive action in favour of developing countries - which he interpreted not as an omission on the part of the Secretariat, but a reflection of the results of the Round. While it was clear that developing countries had much to gain from the Round, it should be recalled that the tariff average applied to developing countries exports would remain higher than that applied to the exports of developed countries. In the area of tariff escalation, some positive results had been achieved. However, the picture remained incomplete as the existence of a number of specific duties - particularly in agriculture - prevented a complete analysis.

In the area of agriculture, the final results were substantially different from Brazil's initial expectations, which reinforced the need for the continuation of reform. He concluded that the commitments assumed by developing countries in the Round would see them facing similar obligations to those of their developed counterparts. Under the WTO, they would be more active in translating their concerns into more specific measures. He was of the view that, because of the important role of the WTO Secretariat in helping developing countries to implement the Uruguay Round results, the Secretariat would not have much time for joint endeavours with the Bretton Woods institutions.

21. The representative of Pakistan agreed with the representative of India on his analysis of increased participation of developing countries in the multilateral trading system in spite of barriers imposed by developed countries. The Uruguay Round tariff reductions for textiles products were much lower than the overall tariff reductions, and he hoped that outcome would not reflect negatively in the growth prospects for developing countries. He also noted that the liberalization of tariffs on textiles products would in some countries be applied over ten years, a longer time-frame than otherwise applicable. Besides, and as already mentioned, the first stages of the integration programmes already announced did not include products currently under restriction. He hoped that the implementation of the Uruguay Round results would take place in a positive and progressive spirit, and underlined that developing countries had autonomously taken liberalization measures in the past and would continue in the future. He called on developed countries to reciprocate by adopting autonomous liberalization measures. He noted that Table 3 of COM.TD/W/513 clearly brought out that developing countries had seen their growth of imports exceed their growth of exports. For this reason, it is essential to have improved market access to finance the gap between imports and exports. He pointed to the fact that developing countries would need technical assistance, from the GATT/WTO Secretariat as well as other organizations, so as to be able to benefit, to the fullest extent possible, from the liberalization measures resulting from the Round. Finally, he emphasized that market openings should not be matched by other measures - such as anti-dumping, countervailing actions or other safeguard actions - which could constrain the possibilities of exports, thus becoming instruments of protection.

22. The representative of Uruguay expressed the view that future attention should be focused on market access in areas such as textiles and clothing and agriculture, in which developing countries' exports were concentrated. The Uruguay Round negotiations had dealt with a number of structural adjustment issues. Developing countries had done their part with respect to the required structural adjustment by increasing their commitments on the industrial side; many developed countries had only started their adjustment in the agricultural area. Agricultural reform should be deepened to allow

improved opportunities of market access for developing countries, as provided for in the Agreement on Agriculture.

23. Several delegations commended the Secretariat for the very useful documentation prepared for the discussion. The representative of Pakistan asked the Secretariat to cover a longer time-frame, to allow a more complete picture of developments. He also wished that tables had shown data for developing Asia, excluding China.

24. The Chairman thanked representatives for their useful and valuable contributions, and called on them to transmit those views to their respective governments. He said that while any assessment would depend on the point of view of each individual, some summary points emerged from the debate: (i) Figures pointed to the fact that the participation, or share, of developing countries in world trade was growing. (ii) The share in this growth of trade was unequal; the least-developed countries might have even seen a decrease in their share in trade, as had been the case in Africa in recent times. The share in world trade of other regions, such as South-East Asia, had been increasing significantly. (iii) The above resulted from both domestic policies and the general international environment. But the divergence of results showed that trends could not be attributed only to the international environment, because in the same environment some countries had increased their share while others had decreased their share. (iv) The Uruguay Round represented a significant opportunity for developing countries to increase their share in trade, both because of the integration into WTO rules of sectors that had previously been closed to them, and because it dealt with internal policies - and not just border measures - that restricted trade. (v) A crucial element with respect to the future participation of developing countries in world trade was the way in which the Uruguay Round would be implemented. (vi) In the past twenty years, participation in world trade of both developing and developed countries had paradoxically increased, at the expense of the former socialist States. The increase in share in world trade seemed first to be due to more market-oriented policies or a reduction of state participation. (vii) In the increase in the share of developing countries in world trade, the product composition of their trade was important. The substantial increase of their trade in manufactures seemed to have been the key to their increased participation in international trade. The increase in intra-regional trade was also relevant. (viii) Though a snapshot of the present situation was useful, an examination of changes was even more important to see whether the international environment was different, whether there were fewer hindrances to trade, or whether there was an increase of developing countries' share in world trade. (ix) Developing countries would make greater commitments in the future World Trade Organization than in GATT, and developing country Members should not ignore or underestimate the 25 per cent share of world trade that they represented. (x) Finally, the time had come to explore ways in which autonomous liberalization measures, adopted by developing countries, could be integrated into the multilateral set of measures aimed at facilitating and promoting trade and freer trade.

25. The Chairman concluded the agenda item by saying that the debate was intended to provide a benchmark in assessing how developing countries were progressing in the multilateral trading system. Such work was not concluded; rather, it had only just begun.

26. The Committee took note of the statements.

Item (ii): Technical assistance to developing countries in the context of the Uruguay Round

27. The Chairman recalled that the Committee had periodically reviewed the technical assistance provided by GATT to developing countries in the context of the Uruguay Round. The last review of technical cooperation activities had been undertaken by the Committee at its Seventy-Sixth Session in November 1993. For the Seventy-Seventh Session, the Secretariat had prepared a note outlining

the GATT technical assistance activities in the last twelve months, Document COM.TD/W/511. Under its Technical Cooperation programme, the Secretariat had organized some sixty seminars and technical missions on the GATT and the Uruguay Round in different countries of Africa, Asia and Latin America with the objective of presenting and explaining the Uruguay Round results. Those seminars, of both a general and specialized nature, included a number of regional or sub-regional seminars, in particular on the technically more complex areas. In addition, several activities of that type had been organized for countries contemplating accession to the GATT. The technical assistance programme had also focused on assisting developing countries in the preparation of their schedules of concessions on goods and commitments in services, as well as in the work relating to the ratification and implementation of the Uruguay Round results. Particular attention had been paid to least-developed countries and smaller developing countries in Africa.

28. Technical assistance to developing countries had also involved the provision of data, information and background notes, workshops, briefing sessions for delegations and officials as well as a dispute settlement course. Technical assistance had been provided to requesting developing countries for the preparation of their trade policy reviews and for their participation in trade policy reviews of other countries. Particular efforts had been made to provide support to least-developed countries in the closing stages of the Uruguay Round negotiations, including a number of GATT missions that had visited several of those countries since the beginning of 1994 to explain the Final Act and to assist them in the preparation of their offers on market access on goods and services. Delegations of least-developed countries in Geneva had been briefed on a systematic basis on the progress of negotiations. Since April 1994, they had received, upon request, documentation explaining the benefits of the Uruguay Round results, to be used in particular with a view to the preparation of their internal ratification processes.

29. The representative of Argentina expressed his country's general satisfaction with GATT's seminars or workshops, as well as timely technical assistance. On behalf of GRULA, he thanked the Secretariat for its assistance with respect to notification requirements, as contained in document COM.TD/W/515. The representative of Côte d'Ivoire thanked the Technical Cooperation and Training Division (TCTD) for its training programmes, both at national and regional levels. She stated that, following the Marrakesh meeting, her country had, with the help of the TCTD, evaluated the results of the Uruguay Round and identified new trade opportunities. Her country had devalued its currency considerably earlier in the year, and since August, had engaged in a reform programme which was expected to increase efficiency and help to maximize the benefits from the Round. She hoped that the adoption of such reforms would be accompanied by a positive response from Côte d'Ivoire's trading partners. The representative of Madagascar expressed her gratitude to the TCTD and also for technical assistance granted by other organizations. She hoped that technical assistance would continue to be provided and eventually expanded. She took note of the Deputy Director-General's explanation of the role of the Least-Developed Countries' Unit and the maintenance of all technical assistance responsibilities by the TCTD for individual countries.

30. The Chairman indicated that, as agreed by the Committee at its Sixty-Third Session in April 1988, governments and international organizations that provided technical assistance to developing countries in relation to work in the Uruguay Round were invited to keep the Committee periodically informed of activities that they had carried out, as well as of facilities available under their programmes. He said that the representatives of the Food and Agriculture Organization of the United Nations (FAO) and United Nations Conference on Trade and Development (UNCTAD) had expressed the wish to make a statement on technical assistance given by their Organizations. In that respect, the Secretariat had received a notification from FAO on its technical assistance activities (COM.TD/W/516).

31. The representative of the Food and Agriculture Organization of the United Nations (FAO), speaking as an observer, referred to document COM.TD/W/516, which provided a summary of FAO

activities to assist developing countries. He said that the FAO was the United Nation's specialized agency which, because of its expertise and experience, was especially well-qualified to provide appropriate advice, technical training and other technical information to its member countries, in three areas related to trade of food: food quality and safety, plant protection and quarantine, and general advice on agricultural production and trade.

32. Technical assistance to developing countries in relation to food quality and safety was provided in the context of two of the Agreements included in the Final Act of the Uruguay Round; namely the Agreement on the Application of Sanitary and Phytosanitary Measures (the SPS Agreement) and the Agreement on Technical Barriers to Trade. This technical assistance had been provided by a variety of means, to establish or strengthen national food control systems that could examine and certify foods before shipment, so that foreign buyers could be confident that they met international standards and the numbers of shipment rejections by importing countries were kept to a minimum. FAO's programme of work on food quality and safety also included the Secretariat of the Codex Alimentarius Commission, an intergovernmental body reporting to the Directors-General of FAO and WHO, to protect consumers' health and facilitate international trade in food (the Uruguay Round SPS Agreement referred to Codex standards as being automatically presumed to be justified). Technical assistance was provided by FAO to members in developing countries to upgrade their plant quarantine services to a full operational level, through the assessment and improvement of legislation, the provision of basic facilities for inspection and treatment, the establishment of survey programmes, and the training of staff in procedures. International standards and guidelines in plant quarantine which would ensure that quarantine measures were scientifically based and would not constitute unwarranted trade barriers were also developed. During the course of the Uruguay Round, the FAO Secretariat had provided statistics, information and studies to assist groups of developing countries during the negotiations, particularly the Group of Net Food Importing Developing Countries and other regional economic groupings. As the Round had come towards its end, the emphasis had been switched to deal with the changes in the external trading environment, with activities including the holding of two regional expert consultations (one with ECOWAS for the Africa region and one with the World Bank for Latin America) and assistance to developing countries in assessing the consequences of the Uruguay Round for their national agricultural policies.

33. The representative of FAO also informed the Committee that his organization was currently engaged in a detailed projection of the outlook to the year 2000 of production, consumption, imports, exports and prices for around 20 principal agricultural commodities, taking into account the effect of the Uruguay Round and other major changes in national and international agricultural policy. The study would be published in the next 6-12 months, and eventually extended to other commodities. The impact of food security of these projections including the problems of higher food import bills for the Least-Developed and Net-Food Importing Developing Countries, would be taken up by the Committee on World Food Security in April 1995. He said that FAO looked forward to working with other organizations in assisting countries in their assessments of the impact of the Uruguay Round on national agricultural policies, but indicated that to do so, increased resources would certainly be needed.

34. The representative of UNCTAD, speaking as an observer, informed the Committee that, following the Marrakesh Ministerial meeting, the Trade and Development Board, in April 1994, had agreed that UNCTAD should "refocus and intensify, where necessary, its technical assistance in the light of the Uruguay Round agreements aiming to increase the capacities of developing countries for their effective participation in the international trading system, and to ensure an efficient cooperation with relevant international organizations, in particular with the WTO and ITC." Thus, UNCTAD had been focusing its technical assistance programme on the analysis and evaluation of the results of the negotiations and on the post-Uruguay Round issues. That included support for the domestic implementation of the results; assessing the impact of the results of the Round on trade prospects and

national economies; reviewing likely issues on the new trade agenda; assisting continuous negotiations in the areas of services; and development of human resources.

35. In this context, he made reference to a number of activities sponsored by UNCTAD. Two meetings had been organized within the framework of the UNDP/UNCTAD project "Institutional Capacities in Multilateral Trade"; a regional seminar on telecommunications support for trade in services for Asian and Pacific countries, organized jointly by UNCTAD and the Asia-Pacific Telecommunity held in the Republic of Maldives in May 1994, and a regional brainstorming meeting on the trade agenda of the 1990s, organized by UNCTAD in collaboration with regional institutions, held in Malaysia in September 1994. In the case of Africa, a regional seminar on services had been held in Kenya in May 1994, within the framework of the "Coordinated African Programme of Assistance on Services". Also, UNCTAD had worked closely with ECA in organizing the International Conference on the Implications of the Uruguay Round for the African economies, recently held at ministerial level in Tunis. ECA, UNCTAD, GATT/WTO, ITC and other organizations had been called upon by Ministers to provide assistance to African countries in the post-Uruguay Round phase on the basis of the technical assistance needs contained in the framework of Action adopted by the Conference. UNCTAD was already engaged in active consultations with the relevant agencies with a view to ensuring a prompt follow-up of the Tunis Conference.

36. Under UNCTAD/UNDP project "LATINTRADE", a number of technical assistance activities had been organized in 1994 in collaboration with regional and sub-regional institutions such as SELA, ECLA, etc. Another important event was the symposium on the evaluation of the implications of the Uruguay Round for Arab countries, currently taking place in Casablanca, Morocco. The symposium, organized by UNCTAD in close co-operation with GATT under the UNDP - funded Arab regional project, had as main objective to support Arab countries in evaluating and reviewing the implications of the results of the Round for their trade interests, and to assist countries considering accession to GATT. Technical assistance activities for individual countries concerning accession to GATT/WTO had also intensified. He informed the Committee that UNDP had recently approved a project, to be executed by UNCTAD, for supporting the Republic of Belarus to accede to the GATT/WTO. Finally, he expressed UNCTAD's appreciation for GATT's active participation in the technical assistance activities of UNCTAD. He stressed that UNCTAD would continue to cooperate closely with GATT/WTO in order to meet the technical assistance needs of the developing countries, especially the least-developed among them.

37. The Committee took note of the statements.

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

38. The Chairman recalled that the Fifteenth Session of the Sub-Committee on Trade of Least-Developed Countries had been a memorable one in several respects, with refreshing support for their needs within the multilateral trading system. Support was also crystallized in the announcement of the creation of a focal point within the Secretariat, specifically devoted to that group of countries' special situation and needs in the context of the new legal framework resulting from the Uruguay Round. It had been a long-standing request of the LLDCs to obtain the establishment of a unit on LLDCs in GATT/WTO Secretariat.

39. The Committee took note of the statement.