

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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CONTRACTING PARTIES  
Twenty-Sixth Session

## EXPANSION OF TRADE

### Draft Conclusions

1. The CONTRACTING PARTIES underline the major rôle of past tariff and trade negotiations under the GATT in promoting the continuing expansion of international trade and reaffirm their support for the maintenance of the multilateral trading system and their determination to move progressively towards the further reduction of trade barriers. They emphasize the need to maintain the momentum of trade liberalization bearing in mind in this connexion that the last of the annual reductions under the Geneva Protocol of 1967 is due to be applied on 1 January 1972.
2. The CONTRACTING PARTIES recognize that the further liberalization and expansion of international trade according to the principles and objectives of the General Agreement would be an essential contribution to the success of the Second Development Decade. They note the deterioration of the terms of trade of developing countries and their declining share in international trade. The CONTRACTING PARTIES stress that for the success of the Second Development Decade, it is essential that GATT should contribute by making maximum efforts directed towards the expansion of the export earnings of all developing countries and by giving priority consideration to and by taking immediate steps towards solving the trade problems of these countries.
3. The CONTRACTING PARTIES note with satisfaction the progress that has been made under the Work Programme established in November 1967. In this context, they have approved both the reports of the Committee on Trade in Industrial Products, the Agriculture Committee and the Committee on Trade and Development and the work programmes established by the Committees in furtherance of their respective mandates. The CONTRACTING PARTIES direct the Committee on Trade in Industrial Products to explore the possibilities for concrete action with regard to reducing or removing barriers affecting international trade in industrial products and to developing possible rules of conduct. The CONTRACTING PARTIES also direct the Agriculture Committee to seek mutually acceptable solutions to the principal problems of international trade in agricultural products including measures affecting imports, exports and production and for this purpose to complete such further identification of these problems as is necessary.

4. The CONTRACTING PARTIES direct the Industrial and Agriculture Committees, on the basis of the comprehensive preparatory work that they have already done and of such additional work as may prove to be necessary, to proceed with the task of formulating conclusions on possibilities for concrete action that might appropriately be taken to deal with the problems that arise in the field of industrial and agricultural products. This task should be completed during 1970 so as to enable the CONTRACTING PARTIES to consider, at their twenty-seventh session, with the assistance of a report from the Council on possible techniques including the sector approach, a decision to initiate the appropriate actions covering both the industrial and agricultural sectors, directed towards the realization of these possibilities. They nevertheless reiterate the decision adopted at their twenty-fifth session that such opportunities as might arise for the settlement of particular trade problems at any time should be pursued, especially with respect to products on which a substantial amount of preparatory work has already been done within GATT.

5. In this connexion, the CONTRACTING PARTIES stress the importance of the earliest possible completion of the Tariff Study so that tariffs, as well as non-tariff barriers, are fully taken into account in the course of the work that will be undertaken in terms of the work programme. The basic documentation should also cover, on a priority basis, the following problems of particular interest to developing countries: (a) tariff differentials, (b) specific duties, (c) peak tariffs and (d) tariffs on industrial raw materials, and indicate possible lines of future action in these and other fields.

6. The CONTRACTING PARTIES emphasize the importance of the concerted effort that is to be made to deal with the problem of import restrictions on a comprehensive basis and the setting up of the Joint Working Group to facilitate this process. They express the hope that the results of the work carried out in the Group will, to the extent that they have not already led to action, be quickly taken up in the three Committees and contribute to a wide-ranging action toward the reduction and elimination of non-tariff barriers generally, particularly those affecting the trade of developing countries.

7. Conscious of the importance for developing countries of the work of the Committee on Trade in Industrial Products, the Agriculture Committee and the Joint Working Group, the CONTRACTING PARTIES reaffirm their intention that, as the work of these bodies proceeds, particular attention should be paid to the problems of these countries including especially the problems of developing countries dependent on a limited range of primary products. The CONTRACTING PARTIES emphasize the need for Part IV of the General Agreement to be applied and for the developing countries' special needs to be taken fully into account in the search for solutions in these bodies in accordance with the CONTRACTING PARTIES' decision at the twenty-fourth session that a maximum effort was to be made to promote the expansion of the export earnings of these countries. They direct the Committee on Trade and Development to continue to follow closely to this end the work in progress in these bodies.

8. The CONTRACTING PARTIES recognize that the creation of a favourable point of departure for future action requires that each contracting party individually should refrain from aggravating the problems and obstacles to be dealt with, it being understood that this in no way affects existing rights or obligations under the General Agreement and particularly under Article XVIII and Part IV.

9. The CONTRACTING PARTIES direct the Council to make arrangements for a wide and early acceptance of the Agreement on Implementation of Article VI of the General Agreement.

10. They welcome the extensive examination that has taken place in the Committee on Trade and Development on problems connected with the fuller implementation of the provisions of Part IV of the General Agreement relating to trade and development. They look to a more speedy removal of tariff and non-tariff barriers to the trade of developing countries as a consequence of this examination. While noting the concrete progress made in certain limited areas, such as the removal of a few residual restrictions, the CONTRACTING PARTIES impress upon contracting parties the need for action in the field of both manufactured and agricultural products, including tropical products, commensurate with the affirmations made by them at previous sessions. In this connexion the CONTRACTING PARTIES also impress upon contracting parties the need to adopt additional measures designed to improve conditions of access and stabilize conditions of world markets for the exports from developing countries.

11. They welcome the decision reached by the Committee on Trade and Development to establish appropriate consultation procedures so that any concrete problems relating to the application of Part IV can be resolved on a mutually satisfactory basis. The CONTRACTING PARTIES expressed the hope that early agreement would be reached on the modalities of this procedure.

12. The CONTRACTING PARTIES note the progress made in the work leading toward negotiations for the exchange of concessions among developing countries. They invite as many of those developing countries as possible who are not currently participating in this work to do so, in order that the negotiations can make the greatest possible contribution to the expansion of trade among developing countries. The CONTRACTING PARTIES reiterate their intention to look at the results of these negotiations in a constructive and forward-looking spirit.

13. The CONTRACTING PARTIES reaffirm their readiness to take appropriate action when the general non-discriminatory scheme of preferences in favour of developing countries has been negotiated, and directs the Council to consider the matter at the appropriate time.

14. The CONTRACTING PARTIES reaffirm their support for the International Trade Centre and urge all contracting parties to make available adequate resources to the Centre for full implementation of its programme of work.