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MEETING OF TRADE NEGOTIATIONS COMMITTEE ON 18 MARCH 1965

Statement by the Representative of Sweden

It is almost a year since the United Nations Conference on Trade and Development was opened here in Geneva. At this Conference it was emphasized that the GATT should not be considered as a club of industrialized countries but as an organization for promoting world trade and not least as a useful instrument for promoting the trade of less-developed countries. It was pointed out that GATT is the principal organization for the entering into commitments in the trade field. In this connexion reference was made to the Programme of Action and to the work being carried out at the time on a GATT Chapter on Trade and Development.

In the Programme of Action Ministers of the contracting parties indicated that their governments would aim at the elimination or at least the substantial reduction of tariffs on primary products. It was furthermore agreed that action to reduce tariffs on products from the less-developed countries would be taken within the framework of the Kennedy Round.

Since then the new GATT Chapter has been adopted. According to Article XXXVII the developed contracting parties shall accord high priority to the reduction and elimination of barriers to the trade in products actually or potentially of particular export interest to less-developed contracting parties. The Nordic governments - and I now speak on behalf of the Governments of Denmark, Finland, Norway and Sweden - believe that efforts should be made to translate this commitment into early action.

In certain respects substantial progress has already been made. It has, however, become evident that all trade barriers for products from the less-developed countries cannot be reduced or abolished overnight. The difficulty in reaching immediate results over the whole field should not, however, make us refrain from approaching the partial solutions which might already be at hand.

Now, the main interest has been focused on the improvement of the prospects for products for which the export possibilities of the less-developed countries are already being considered as potentially good. In this connexion the less-developed countries themselves and among them for instance Nigeria have expressed a special interest in the elimination of obstacles to trade in tropical products.

These considerations have led our Governments to consider the possibility that the developed countries should take immediate action for reducing or eliminating, within the context of the 1964 trade negotiations, trade barriers for a limited range of goods like tropical products, instead of waiting for the final and broader results of the Kennedy Round as such. It is against this background that we have tabled the following proposal for this meeting of the Trade Negotiations Committee.

The secretariat would be asked to prepare an indicative list of goods mainly produced in the tropical countries and which are important in the export trade of these countries. This list should not, in this or any other negotiation, have a binding effect as regards the definition of tropical products. It should serve only as an exemplification of products which could be considered as tropical.

Taking this list as a basis and choosing, if they so wish, also among products not listed every industrialized country should consider

- (i) for which products it may take measures to abolish or reduce barriers to trade;
- (ii) from which date and over which period of time this could be done;
- (iii) the degree of reduction envisaged.

When measures are announced they would not be made conditional upon similar offers being made by other industrialized countries.

A working party could be set up with a mandate to follow up these submissions on the basis of a compilation of the replies and to make an analysis thereof. The group should take into account such possibilities as might exist to harmonize measures with the object of obtaining an overall result as favourable to the less-developed countries as possible.

The offers made could be embodied in a document with a binding character.

We are well aware of the financial and other difficulties and among those existing preferences which exist for many countries when it comes to liberalizing trade in those tropical products which have so far been subject to special studies in the GATT. A procedure of the type envisaged above, giving the possibility of choice among a wide variety of tropical products, would, however, hopefully make it possible for industrialized countries now to take further action in line with objectives set by Ministers for the trade negotiations.

The type of action proposed here for tropical products does not exclude that at a later stage other products having a similar production structure, i.e. the production of which is heavily concentrated to the less-developed countries, could be taken up for discussion.

We would like to see suggestions in accordance with our proposal to be tabled at an early date and preferably before 1 July.