

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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## Sub-Committee on the Participation of the Less-Developed Countries

### NOTE BY THE SECRETARIAT

1. At the meeting of the Trade Negotiations Committee on 10 April 1964, it was agreed that "the Sub-Committee on the Participation of the Less-Developed Countries should consider all questions relating to the attainment of the objectives laid down by Ministers with respect to the participation of these countries in the negotiations, formulate specific suggestions and recommendations and report to the Trade Negotiations Committee not later than the end of April".
2. In order to provide a possible basis for discussion, the secretariat has set out in the following paragraphs those questions on which it appears to it, in the light of the discussions which have taken place in the Sub-Committee and the Trade Negotiations Committee, that the Sub-Committee may wish to address itself at this stage.
  - A. The problem of giving effect to the decision of Ministers that every effort should be made to reduce barriers to the exports of the less-developed countries
    - (i) Exceptions lists
3. At its meeting on 8-10 April 1964, the Trade Negotiations Committee drew up, for adoption at the meeting of the Committee at ministerial level on 4 May, draft decisions which provide that there should be a bare minimum of exceptions, necessitated by reasons of overriding national interest; that lists of these exceptions should be tabled on 10 September 1964; and that these should be subject to a process of confrontation, the procedures for which should be determined by the Trade Negotiations Committee at a later date. When attention is given to determining these procedures, the Sub-Committee will no doubt wish to consider how best to provide in them for the safeguarding of the interest of less-developed countries.
4. The Sub-Committee will recall that it was generally agreed at its first meeting that, as far as possible, products of special interest to the exports of the less-developed countries should not be included in the exceptions lists of the developed countries.

5. In this connexion, and in connexion with the eventual drawing up of the procedures referred to in paragraph 3 above, consideration might be given to the following procedures:

- (a) the list of products which are at present under consideration in Committee III could be used as a starting point for determining which are the products of special interest to the exports of the less-developed countries;
  - (b) less-developed countries wishing attention to be given to items not included in those lists could notify such additional items at a sufficiently early stage to enable developed countries to take account of them in preparing their exceptions lists.
- (ii) Possibility of tariff reductions of more than 50 per cent on products of special interest to less-developed countries

6. In their Resolution of 21 May 1963, Ministers agreed that every effort should be made in the trade negotiations to reduce barriers to the exports of less-developed countries. They also agreed that in the negotiations it shall be open to each country to request additional trade concessions.

7. In this connexion, reference was made at the first meeting of the Sub-Committee to the possibility of tariff reductions of more than 50 per cent by the developed countries on products (for example, raw materials, tropical products, and hand-made and other highly labour intensive products) of special interest to the less-developed countries. Another point made, relevant in this context, was that products of special interest to less-developed countries had tended to be excluded from tariff concessions made by developed countries in past tariff conferences, and that tariffs on those products tended therefore to be disproportionately high.

- (iii) Non-tariff barriers

8. The Trade Negotiations Committee has agreed that the Sub-Committee on Non-Tariff Barriers should present a report, not later than the end of April, defining those of the non-tariff barriers which should be the subject of multilateral negotiations within the framework of the overall trade negotiations, together with any recommendations regarding the form which these negotiations should take. It is understood that other non-tariff barriers should be left initially at least for bilateral negotiation.

9. The Sub-Committee may wish to discuss whether any special consideration needs to be given in this field to non-tariff barriers which are of special importance to the trade of less-developed countries. It may be recalled that a considerable amount of material about these barriers is set out in documents drawn up by Committee III, which are of course available to members of the Sub-Committee.

B. The question of reciprocity and the contribution the less-developed countries can make to the negotiations

10. It was generally felt at the last meeting of the Sub-Committee that the question of the contribution of the less-developed countries to the negotiations should not be approached from the point of view of reciprocity, and that the right approach was to consider what contribution to the overall objective of trade liberalization each participating less-developed country could make in the light of its development needs and for the purpose of furthering its trade and economic development. In particular it was suggested that the participating less-developed countries should scrutinize their own tariff and other commercial policy arrangements with a view to considering what changes might be beneficial both in the interests of their own development and also the trade of other countries, in particular other less-developed countries.<sup>1</sup>

11. In this connexion, consideration might be given to the possibility of providing that participating less-developed countries should, as part of the process of considering the contribution they can make, agree to have regard to any suggestions in this regard from other countries (including other less-developed countries).

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<sup>1</sup>The Sub-Committee may wish to recall the suggestions put forward in this sense by the Executive Secretary in L/1844, paragraph 10; these included the proposal that consultations with individual less-developed countries could be envisaged at which their contribution to the plan could be discussed, taking into account the particular circumstances of each case.