

GENERAL AGREEMENT ON TARIFFS AND TRADE

Sub-Committee on Trade of
Least-Developed Countries
15-16 November 1983

DRAFT NOTE ON PROCEEDINGS OF FIFTH MEETING

Prepared by the Secretariat

1. The Fifth meeting of the Sub-Committee on Trade of Least-Developed Countries was held on 15 and 16 November 1983, under the Chairmanship of Ambassador Fernando Jose Reino of Portugal.
2. The Chairman stated that this session of the Sub-Committee was of special significance since it combined its regular meeting with ad hoc consultations between Bangladesh and its trading partners. He proposed that in accordance with the provisional agenda, the first part of the meeting be devoted to the consultations with Bangladesh. After that the Sub-Committee would consider the remaining items on its agenda namely (a) review of developments in international trade, (b) review of trade measures in favour of least-developed countries, (c) identification of continuing barriers to the exports of least-developed countries, (d) secretarial technical assistance, and (e) other matters.
3. The provisional agenda as set out in document COM.TD/LLDC/13 was duly adopted.

I. Agenda item (i): Ad hoc consultations between Bangladesh and its trading partners

4. The Chairman recalled that at its forty-ninth session, the Committee on Trade and Development accepted a proposal that the Sub-Committee on Trade of Least-Developed Countries should (a) monitor the implementation of those aspects of the Ministerial Declaration which concern the least-developed countries, and (b) hold consultations between interested least-developed countries and their respective trading partners on issues

related to their development and export interests including the examination of barriers to their trade and any relevant commercial policy matters. The Chairman stressed that the proposal to organize the ad hoc consultations stemmed from paragraph 3(g) of the Annex to the Ministerial Declaration which asked contracting parties to "give more emphasis to the discussion and examination of policy issues of interest to least-developed countries in the context of further efforts to liberalize trade". He added that the Sub-Committee, at its meeting in May 1983, agreed to these proposals and subsequently established a new programme of work which included the organization of ad hoc consultations between individual least-developed countries and their trading partners. Procedures for such consultations were also adopted. At that session, Bangladesh was the first country to request a consultation.

5. The Chairman noted that for the consultations, the Sub-Committee had before it a background note on Bangladesh prepared by the secretariat, which gave an outline of the economic situation in that country and some of the main features of its economic and commercial policies. A submission by Bangladesh was also available as document COM.TD/LLDC/W/10 and Addendum.

Consultations between Bangladesh and its trading partners -
general remarks

6. In his introductory statement, the representative of Bangladesh emphasized the urgent need for providing duty-free access to all exports from Bangladesh and for eliminating the non-tariff barriers faced by these exports. Progress in this respect was imperative given the structural problems Bangladesh faced in the field of external trade, the low absolute level of export receipts and the difficulties encountered in ensuring and promoting adequate markets for expanded production.

7. The representative of Bangladesh, emphasizing the critical importance of agriculture to his country's economy, said that this sector accounted for 50 per cent of GNP, 80 per cent of exports and 60 per cent of total employment. Per capita GNP in Bangladesh in 1982 was estimated at US\$140. He identified the main features of his country's external economy as (i) growing current account deficits, with export earnings representing less than 30 per cent of the import bill, (ii) heavy dependence on foreign capital inflows to finance imports, (iii) concentration of exports on a few commodities, (iv) high dependency on imports for consumption and development, (v) persistent adverse terms of trade, and (vi) an increasing external debt burden. He noted that Bangladesh had been severely affected by the current world-wide recession, with export receipts declining due to the fall in commodity prices, despite an expansion in the volume of exports by 14.8 per cent over the last three years. The concurrent increase in import costs had resulted in a serious deterioration in the terms of trade.

8. The representative of Bangladesh said that his government had taken a series of measures aimed at increasing production and expanding and diversifying exports. In the field of agriculture, the government had made efforts to reduce farmers' risk associated with adverse climatic factors, in part through providing price support to main agricultural outputs, and also through increasing cropping intensity. In the manufacturing sector, the objectives of the government included expansion of domestic production to meet basic needs, the manufacture of inputs necessary to achieve self-sufficiency in food grains, the expansion of employment opportunities and the promotion of export-oriented and import substitution industries. He indicated that manufactured handicrafts, ready-made garments, household linen and specialized textiles, canned fruits, handloom products, manufactured leather goods and other agro-based industrial products, would be among the export-oriented industries to receive special emphasis. He

stressed the scope for increased participation of the private sector provided in the new industrial investment policy and noted that a large number of industries, previously in the public sector, had already been turned over to the private sector. He also mentioned that greater incentives were being provided to attract foreign investment in the manufacturing sector.

9. The representative of Bangladesh said that the tariff and non-tariff barriers faced by Bangladesh's exports in some developed country markets, as indicated in documents COM.TD/LLDC/W/10 and Add.1, frustrated his country's efforts to increase exports of traditional items and discouraged the introduction of new items in which Bangladesh possessed a comparative advantage. He identified shrimps, jute and jute goods of all types, tea and packet tea, specialized textiles, ready-made garments, tanned and semi-tanned leather and other leather goods to be among items of major export interest to Bangladesh. With regard to these products, he requested duty-free access and the removal of all non-tariff barriers such as quota restrictions, selective taxes, other internal taxes, licensing requirements, strict packaging and labelling regulations, voluntary export restraints and other administrative measures. In addition, he mentioned items with high export potential such as handicrafts, leather goods, frozen fish, jute carpets, plastic goods, fruits and vegetables, tobacco, ready-made garments and specialized textiles, and requested special treatment for them from his country's trading partners.

10. With regard to the Generalized System of Preferences, the representative of Bangladesh requested the harmonization of domestic content requirements under the rules of origin of different countries in order to ensure greater ease of market access under GSP. He added that the percentage of local content in the case of manufactured items should be expressed in relation to the "ex-factory" price of the products. He urged

the modification of processing criteria to provide least-developed countries with greater benefits, which were often denied on the grounds that the goods had not undergone a sufficient degree of local processing. He also requested that rules of origin requirements, which had in some cases proved to be complicated and difficult for his country, be significantly relaxed. He suggested that these rules could be further harmonized and simplified to avoid administrative complications which contributed to a failure to take full advantage of the system. In this context, the representative of Bangladesh expressed his authorities' concern over steps taken recently by some major trading partners. He made specific mention of the increase in the minimum local content requirements under the United States GSP scheme from 35 per cent to 50 per cent and noted that this measure had significantly eroded the possibility of expanding exports to the United States under the GSP facilities provided.

11. At the conclusion of his presentation, the representative of Bangladesh made reference to the specific requests addressed to individual developed countries in regard to tariffs and non-tariff measures and expressed his hopes for favourable responses.

12. The representative of the European Communities provided detailed information on the Communities' policies with regard to least-developed countries in general, and Bangladesh in particular. He referred both to commercial measures and also to cooperation with Bangladesh on such issues as export promotion and diversification of agricultural and industrial production. He regarded all these issues as important in promoting the process of industrialization and economic development in Bangladesh.

13. With regard to the Generalized System of Preferences administered by the EEC, the representative of the Communities noted that Bangladesh was included in the list of beneficiaries from the inception of the system. Since then the GSP had been enlarged and further liberalized in favour of

the least-developed countries. He indicated that since July 1971, all imports of industrial products from Bangladesh entered the EEC market duty-free and free of any quantitative restrictions. As for agricultural products, in 1983 the positive list of the GSP included 370 items for least-developed countries alone, in addition to the 300 items eligible for preferential treatment from all beneficiary countries. He noted that the rate of GSP utilization by Bangladesh had increased over the years and in 1982 it was almost 75 per cent (63 million ECUs out of a possible 86 million ECUs).

14. The representative of the EEC indicated that rules of origin were a necessary element in any system of preferences in order to ensure the proper utilization of the benefits offered by the scheme. While the need for rules of origin could not be contested, the Communities were open to discussions on any difficulties encountered in their application.

15. Recognizing the inadequacy of trade measures alone for the least-developed countries, the Communities considered it necessary to cooperate with these countries and provide assistance in other areas as well. The representative of the European Communities mentioned in this regard a Cooperation Agreement between the EEC and Bangladesh signed in October 1976. In the context of this agreement, the Communities had endeavoured to assist Bangladesh in the area of export promotion, directed at both the EEC and other markets. In an effort to develop Bangladesh's exports and diversify potential markets for them, the EEC had helped Bangladesh send missions to various parts of the world, including the Middle East and South-East Asia.

16. The representative of the European Communities also mentioned that joint undertakings had been initiated to develop certain industries with relatively high export potential, such as leather, fisheries and natural

gas. The Communities had also initiated some projects to encourage irrigation and stocking possibilities in Bangladesh, in view of large fluctuations in agricultural production. Project assistance of this nature had increased from 6 million ECUs in 1977 to 24 million ECUs in 1982. Training schemes had also been implemented for officials and experts from Bangladesh. Another important facet of cooperation between Bangladesh and the EEC was food aid which amounted to 28 million ECUs in 1982, up from 9.4 million ECUs in 1977.

17. In addition to the Cooperation Agreement, the European Communities had also signed a number of agreements with Bangladesh of a sectoral nature, the most important of which was the Jute Agreement. As a result of the Jute Agreement, the Communities' import regime for jute had progressed from a highly protected to a very liberal one, with provision of duty-free GSP treatment and suspension of all quantitative restrictions by the end of 1983. The representative of the Communities also mentioned the textile agreement between the Communities and Bangladesh within the MFA. He considered this agreement to be a very liberal one since no quotas were administered and the agreement merely included consultation provisions.

18. He also mentioned the existence of two other agreements, namely on handicrafts and handloom products. While imports of handicrafts and handloom products were duty-free, the agreements aimed at promoting Bangladesh's exports of these items to the EEC.

19. Representative of other developed countries noted the various assistance programmes administered by their countries but expressed their intention to confine their comments to commercial measures alone.

20. The representative of the United States indicated that her country was making special efforts to add products of interest to the least-developed countries to the list of items eligible for GSP treatment. She added that

the United States had already implemented the Tokyo Round concessions for products imported from the least-developed countries. She observed that most exports from Bangladesh entered the United States duty-free.

Of the US\$69.9 million US imports from Bangladesh in 1982, US\$60.9 million, or 87 per cent, had enjoyed duty-free treatment either on an m.f.n. basis or under the GSP. The representative of the United States further noted that the Administration's proposal for renewal of the GSP scheme included the elimination of competitive need limitations for products from least-developed countries.

21. The representative of Canada indicated that Bangladesh had enjoyed GSP treatment since the inception of the scheme in 1974. Further, since January 1983 duty-free treatment was provided under the GSP for imports from least-developed countries. He added that there were no quantitative restrictions on products eligible for GSP treatment. He indicated that some changes were introduced to the rules of origin, whereby the foreign material content limit on eligible exports from least-developed countries had been increased from 40 per cent to 60 per cent and provisions were made for cumulative rules of origin among the least-developed countries.

22. The representative of Norway, speaking on behalf of the Nordic countries, noted that the small size of the Nordic market as well as the limited extent of trade with Bangladesh curtailed the impact these countries could have on Bangladesh's development efforts via commercial policy measures. Nevertheless, the Nordic countries wished to take part in the effort and attached considerable importance to the follow-up of the action programme for the least-developed countries adopted at the Paris Conference in 1981. The spokesman of the Nordic countries made specific mention, in this regard, of the transfer of resources and fulfilment of the

sub-target of 0.15 per cent of GNP as well as of trade policy and trade promotion measures. He added that the problems faced by Bangladesh also provided an illustration of the importance of international measures in the commodities field. Further, the Nordic countries believed that the multilateral development organizations should be strengthened to provide increased assistance to the least-developed countries.

23. Speaking on behalf of his own country, the representative of Norway mentioned that his country had entered into a framework agreement with Bangladesh in 1974 which made Bangladesh one of Norway's nine major partner countries in development cooperation. With regard to the trade situation between Norway and Bangladesh, he indicated that Norwegian exports to Bangladesh had declined considerably over the last years, in large part as a result of the economic difficulties faced by Bangladesh. Imports from Bangladesh had, however, been fairly stable, albeit quite limited. The representative of Norway indicated that imports from the least-developed countries entered the Norwegian market duty-free. However, his authorities also recognized the need to promote Bangladesh's exports to Norway through more direct measures. In this regard, he mentioned that the Promotion Office of Imports from Developing Countries (NORIMPOD) was trying to contribute to an expansion of imports from Bangladesh.

24. The representative of New Zealand indicated that his government was committed to a gradual change from an import regime based largely on import licensing to one based on tariffs. In this regard, two techniques were being used as general policy instruments, namely a series of industry studies and an import licence tendering scheme. Whereas the previous system of import licensing was administrative in nature, the new scheme, which was progressively being adopted over a range of specific products,

provided for the supply of licences by competitive tender. At the same time, depending on the product and the specific industry study, the availability of licences was being increased. In connection with the general policy of phasing-out import licensing, an additional allocation equal to 5 per cent of the domestic market would be made available through the import licence tendering scheme in the first import licensing year to come. In subsequent years, additional allocations of between 2.5 per cent and 5.0 per cent of the domestic market would continue to be issued depending on existing circumstances. The representative of New Zealand indicated that this across-the-board opening-up of his country's market should benefit all trading partners, including the least-developed countries. Under the industry studies programme, specific industries were examined and, depending on the conclusions of the study, could be subject to greater competition from imports. Despite the current economic and trade situation, New Zealand had succeeded in undertaking some trade liberalization as a result of these specific industry studies. The products affected by the most recent measures taken in this context were mentioned in document COM.TD/W/395. The representative of New Zealand noted that most of the products referred to in the submission by Bangladesh were included in the textile industry plan. He added that there had recently been a specific study of the textile industry and some recommendations were now before the government. The final decisions in this matter would be conveyed to Bangladesh.

25. The representative of Japan observed that there had been a constant increase in imports from Bangladesh to Japan since 1980, from US\$27.9 million in 1980 to US\$52.2 million in 1982. He added that Japan had introduced special preferential treatment under the GSP for the

least-developed countries in 1980. He also mentioned that Japan had recently adopted a number of unilateral trade liberalization measures, including the reduction and elimination of tariffs, relaxation of quantitative restrictions and implementation of improvements in standards and certification systems. Details of the comprehensive economic measures announced by the Japanese Government on 21 October 1983 could be found in document L/5570. Of specific interest to Bangladesh in this regard was the provision for duty-free GSP treatment for woven fabrics of jute, with effect from April 1984.

26. The representative of Austria observed that duty-free treatment was accorded to nearly all imports from Bangladesh, with some exceptions in the textiles sector. He noted that trade between Austria and Bangladesh was limited for various historical reasons. He indicated that Austria provided special treatment for hand-made products from Bangladesh which he believed had proved useful as imports of these items had increased from Sch 167,000 in 1979 to Sch 432,910 in 1982. He added that the submission made by Bangladesh would be carefully studied and could be discussed bilaterally in the future.

27. The representative of Switzerland indicated that although trade with Bangladesh was limited, it had developed in a manner which was favourable to Bangladesh. While Switzerland's exports to Bangladesh had declined, imports from Bangladesh had increased from Sw F 1.5 million in 1980 to Sw F 4.6 million in 1982. He said that since July 1982 special treatment had been provided for imports originating in the least-developed countries. This special regime applied to all industrial products which could now be imported duty-free, with the exception of certain products on which there was a fiscal duty. Further, most agricultural products of export interest

to Bangladesh were also included under the special regime and could be imported duty-free. The present rate of utilization by Bangladesh of this special regime was 90 per cent.

28. The representative of India, recalling paragraph 6 of the Tokyo Declaration and paragraph 2(d) of the decision on "Differential and More Favourable Treatment, Reciprocity and Fuller Participation of Developing Countries", stated that the basis for the present exercise was clearly established. He expressed the hope that the ad hoc consultations would facilitate further liberalization in favour of the trade of the least-developed countries in the context of any general or specific measures in favour of developing countries. He noted that, in addition to work undertaken at the GATT, efforts in the same direction were being made in other fora as well. He recalled that the Ministers of Foreign Affairs of the Group of 77 had taken a decision in October 1982 on the global system of trade preferences (GSTP) among developing countries. In this declaration on the GSTP, it was acknowledged that the special needs of the least-developed countries should be clearly recognized in negotiations among developing countries and concrete preferential measures in favour of these countries should be agreed upon. Moreover, the least-developed countries would not be required to make concessions on a reciprocal basis. The representative of India concluded by saying that efforts at the GATT would thus be supplemented through the GSTP negotiations, which had now been formally launched.

Consultations between Bangladesh and its trading partners -
Examination of Specific Requests

29. The representative of Bangladesh expressed his gratitude for the reactions to his oral statement and stressed the importance of the consultations with his country as a test-case which would be relevant to

the other consultations to follow. While his country was grateful for the various aid programmes from which it benefited, he pointed out that the present exercise was aimed at further trade liberalization in respect of products of export interest to Bangladesh. He said that while most of the exports of his country enjoyed liberal access to the markets of developed countries either on an m.f.n. or GSP basis, there were nevertheless a number of products of current or potential interest to Bangladesh which were still facing tariffs and non-tariff barriers, and he appealed for their removal. In this connection he stressed the need for greater consultation between beneficiaries and donors before GSP schemes were announced so that the real interests of the former could be taken into account. The representative of Bangladesh then made a country-by-country analysis of the requests contained in his country's written submission (COM.TD/LLDC/W/10 and Add.1).

30. The representatives of the countries to whom requests had been addressed explained the situation with regard to the exports of Bangladesh to their countries. They stressed that most exports of Bangladesh enjoyed duty-free access into their markets and that the remaining items were mostly sensitive items where progress in further liberalization might not be easy, for reasons of market disruption, health and safety or the necessity to protect small marginal producers. In regard to products subject to internal selective taxes, it was stated that such taxes were mainly fiscal in nature. Reference was made to studies which had demonstrated that these taxes did not affect consumption and it was suggested that their elimination would deprive developed countries of revenue, which might in turn reduce the capacity of these countries to offer development aid. While responding to some of the specific requests

made, most developed country representatives stated that further consideration would be given by their authorities to the requests addressed to them and responses would be made either through bilateral contacts or multilateral channels.

31. The representative of Austria undertook to transmit the requests of Bangladesh to his capital for further consideration. He said, however, that in his view marketing problems constituted an important constraint to the expansion of exports by Bangladesh. The representative of Bangladesh stated that his country would welcome technical assistance from any developed country in the promotion of its exports.

32. The representative of the European Economic Communities pointed out that as a result of recent measures taken by his authorities, almost all agricultural exports from Bangladesh and other least-developed countries could enter the EEC duty-free under the GSP. With regard to alcohol, he acknowledged that imports had not been fully liberalized, but measures were applied without discrimination between countries. The reason for the import control system was to guarantee the health and safety of the public. With regard to tobacco, he pointed out that it was one of the four GSP agricultural products still subject to quantitative import ceilings. He stressed that the situation regarding this product was difficult, since it was covered by the Common Agricultural Policy, which aimed amongst other things to stabilize prices and ensure an acceptable level of income to farmers. He could not see much possibility for liberalization in this area, but undertook to transmit the request of Bangladesh to his authorities for further examination. With regard to the rules of origin affecting garments made from imported fabrics he explained that the rule of double transformation was necessary to prevent the preferential concession

from being abused through third-party imports. He stated that the problem was under study and although there was the possibility of the rule being made more flexible in order to facilitate imports from countries such as Bangladesh, one should not be over-optimistic about the outcome.

33. In response to the requests addressed to his country the representative of New Zealand referred to a number of measures recently implemented by his country and outlined in COM.TD/W/395, which would assist developing countries to increase their exports to his country. Of particular significance were the liberalization of import licensing under industry plans and the tendering of import licences. He pointed out that the tax on tea had been replaced by the import licence tendering system. With regard to beeswax he explained that there was some domestic production of this item and imports had to be regulated on the basis of the level of domestic need. With regard to the request on pineapple juice concentrates he explained that the duty was imposed in order to safeguard the interests of certain island countries in the Pacific region, with whom New Zealand and Australia had a regional arrangement, and there was little likelihood that anything could be done about the request. With regard to sacks and bags for packing (of jute) the representative of New Zealand stated that one of the recommendations made in the Textile Industry Study, under which the items in question fell, was for an increase in the import of special types of bags to be used for the export of onions. With regard to the other products on which requests were made he pointed out that some were the subject of industry studies, the results of which would be communicated to Bangladesh; other requests would be given further consideration by his authorities.

34. The representative of the United States reiterated that most of the exports of Bangladesh enjoyed duty-free entry into her country. She pointed out that almost all of the items which were still subject to duties in 1982 and many of which were included in the request list submitted by Bangladesh, were primarily textiles, which were sensitive domestically. She added that the United States Government did not possess the authority to negotiate additional tariff concessions on them at the present time. With regard to the inclusion of these products in the GSP, the representative of the United States stressed that textile products covered by the Multifibre Arrangement (MFA) were mandatorily excluded under US law from eligibility for GSP treatment. She added that with regard to the leather and luggage items, they had been excluded from the GSP due to their domestic sensitivity. The United States Government would nevertheless take note of the requests with a view to future action should circumstances permit. With regard to the request on yarn of plied jute she pointed out that Bangladesh was removed from GSP eligibility on this item effective 31 March 1983, since imports from Bangladesh in 1982 amounted to 57 per cent of total United States imports. She added that Bangladesh would be considered for redesignation in March 1984, and redesignation was likely since Bangladesh accounted for only 17 per cent of total US imports during January-September 1983. In relation to the question of consultations before the publication of GSP schemes, she advised developing countries to avail themselves of the consultation procedures provided for in the annual review of the United States GSP scheme.

35. In responding to the requests addressed to his country, the representative of Japan explained the situation with regard to some of the products on the list. In regard to shrimps, he pointed out that about 90

per cent of Japan's own shrimp catch in 1982 was fished by small coastal enterprises which depended on this activity for their survival. He stated that there was a 70 per cent import dependency ratio in Japan with regard to shrimps, prawns and lobsters and the tendency was for imports to increase, which proved that the duty did not have any significant effect on imports. About 50 per cent of imports came from GSP beneficiaries. Moreover, there had been advanced implementation of the Tokyo Round concession on this item, and a further tariff reduction at present would be difficult. He stated that the situation with regard to beeswax was similar since it was necessary to protect the small bee-keeping households which constitute the beeswax industry in Japan. With regard to import controls on leather he explained that they were necessary to safeguard the livelihood of a certain social minority in Japan especially in a period of economic recession when the demand for leather products had been sluggish. With regard to yarn of jute, the representative of Japan pointed out that certain least-developed country producers were already competitive in international markets. He added however that duty-free LDC treatment would be given to woven fabrics of jute with effect from 1 April 1984. He stated that the specific requests in the supplementary submission of Bangladesh would be referred to his authorities for their consideration. In response to a request made to Japan to streamline some of its import procedures, the representative of Japan pointed out that the liberalization of certain non-tariff measures including standards and specification systems was included in the comprehensive economic measures announced earlier in the year and which came into effect on 1 August 1983. He also pointed out that Japan now had a system of monitoring import procedures through the the Office of Trade Ombudsman (OTO) and stressed that the activities of the OTO

had been playing a major role in eliminating import barriers in the Japanese market including those relating to import testing procedures. He added that in order to promote further the activities of the OTO an advisory council had been created to strengthen public relations activities vis-a-vis Japan's trading partners. With regard to the specific comments made by Bangladesh on the procedures involving the importation of jute bags the representative of Japan stated that they would be referred to his authorities for consideration, and he hoped a response would be given in due course.

36. The representative of Bangladesh responded briefly to some of the comments and explanations given by developed countries. He noted that some countries had pointed to the absence of trade in some of the products on the request list, and said that this could be explained by the fact that the list contained products both of actual and potential export interest to Bangladesh. In a more general comment, he said that it was difficult for his delegation to accept the reasoning of certain developed countries concerning the sensitivity of some items, in view of the generally very low share of the least-developed countries in trade and also in view of the fragile state of the economies of the least-developed countries, the enormity of the problems facing them and their need for special consideration and treatment, as recognized under the SNPA and the GATT Ministerial decisions. He stressed the need for full duty-free access for the exports of least-developed countries, especially in relation to the products where Bangladesh had proved to be competitive. In this connection he listed the following products as those which needed priority consideration: handicrafts, ready-made garments, household linen and specialized textiles, canned and processed fruits, vegetables, frozen fish

products and leather and leather goods. He welcomed the offer of bilateral discussions made by some developed countries. Finally, he expressed his gratitude to the countries which had responded to the requests addressed to them and hoped that as a follow-up to the consultations, requests made by his country would be taken up again in subsequent sessions of the Sub-Committee.

Chairman's summing-up of the Consultations with Bangladesh

37. At the conclusion of the consultations the Chairman made the following observations:

"This has been the first experience we have had in the Sub-Committee of ad hoc consultations between a least-developed country and its trading partners. I would like to express my gratitude to the representatives of Bangladesh and the other contracting parties who have participated in this exercise for the constructive manner in which the discussions have been undertaken. I am sure I am speaking for all the members of the Sub-Committee when I say that this procedure of consultations has been found to be a useful way of addressing the trade problems of least-developed countries in specific and concrete terms. We should regard this as a continuing process in which interested least-developed countries will have the opportunity to focus the attention of the Sub-Committee on their particular trade problems and interests.

"In addition to providing the Sub-Committee with background information about the economy and economic plans of his country, the representative of Bangladesh submitted specific requests for improvements in tariff and GSP treatment on particular products, for the removal of certain non-tariff measures, and for improvements in

rules of origin as they affect the exports of the least-developed countries. Some contracting parties provided preliminary information and responses in the light of the submissions by Bangladesh. It was understood that these submissions would be further examined in the respective capitals and that further contacts would be maintained with Bangladesh authorities on these requests through bilateral or multilateral channels. It is expected that the Sub-Committee will have an opportunity in the future to revert to these questions as appropriate."

II. Other Items on the Agenda

38. Following the consultations between Bangladesh and its trading partners, the Sub-Committee considered the remaining items on its agenda. The Chairman suggested that delegations might begin by addressing themselves to items (ii) and (iii) in the annotated agenda, dealing respectively with a review of developments in international trade of relevance to the trade of least-developed countries, and a review of commercial policy measures taken in favour of least-developed countries.

Agenda items (ii) and (iii): Review of recent developments in international trade of relevance to the trade of least-developed countries, and a review of commercial policy measures taken in favour of least-developed countries

39. For the consideration of these items the Sub-Committee had before it a secretariat background note, contained in document COM.TD/LLDC/W/12. During the review a number of representatives took note of the information contained in the document prepared by the secretariat and said that it was a useful summary of the overall trade and balance-of-payments situation of the least-developed countries. The hope was expressed that the information would continue to be a regular feature of the documentation for future meetings of the Sub-Committee.

40. The representative of a developed country informed the Sub-Committee of certain measures taken by her country in favour of the least-developed countries. She stated that her country had been making a special effort to add products of export interest to least-developed countries to the list of eligible products under the GSP during recent annual reviews. Included among the forty-eight items added to the GSP list following the 1981 review were several agricultural products such as lima beans, eggplant, peppers and sweet potatoes which might be of interest to some least-developed countries. In addition, the 1982 annual review resulted in the inclusion of twenty-nine new products among which were several agricultural products and several items requested by beneficiaries which previously had not participated actively in the annual review process. She added that thirty-five products valued at US\$270 million and imported from twenty-three beneficiaries, which had previously been excluded from duty-free treatment due to the statutory competitive need limits, were redesignated for GSP eligibility. She recalled that her country had already fully implemented final Tokyo Round tariff rates on imports from the least-developed countries, and in addition the Administration of her country had proposed that competitive need limitations be eliminated for products from the least-developed countries under a renewed GSP scheme. She also stated that her country was presently considering additional ways to promote further trade liberalization for products from the least-developed countries, in accordance with the Ministerial Declaration, and looked forward to working closely with its developed and developing country trading partners on joint measures to be taken in this regard.

Agenda item (iv): Export interests of least-developed countries

41. Consideration of this item was based on a secretariat background note (COM.TD/LLDC/W/11), which contained data on trade flows and the tariff and non-tariff treatment of imports from least-developed countries.

Representatives from a number of countries commented on the document, noting that it constituted a useful data base for the work of the Sub-Committee, and expressed the hope that it would be continually updated by the secretariat.

42. There were no interventions on items (v) and (vi) of the agenda which concerned secretariat technical assistance and other matters.

Chairman's concluding remarks

43. In summing-up the proceedings of the fifth meeting of the Sub-Committee, the Chairman noted that in accordance with the decisions taken at its fourth meeting, the Sub-Committee had combined its regular work-programme with the first ad hoc consultations between a least-developed country and its trading partners. The Sub-Committee had taken note of the comments and suggestions made on the ad hoc consultations, as well as those made during the rest of the proceedings. The Chairman noted that Burundi, Central African Republic, Haiti, Sudan and Tanzania had previously expressed interest in holding ad hoc consultations in the Sub-Committee. He said that a calendar for consultations would be prepared in the light of informal discussions with the interested parties and the secretariat.

44. It had been agreed that the Chairman, under his own authority, make a report on the fifth meeting of the Sub-Committee, which would be available to the CONTRACTING PARTIES at their thirty-ninth Session. It had also been agreed that a note on the proceedings of the fifth meeting would be prepared by the secretariat for consideration by the Committee on Trade and Development at its next meeting.

Next meeting of the Sub-Committee

45. The Chairman stated that the date for the next meeting of the Sub-Committee would be determined in consultation with delegations.