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Least-Developed Countries
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DRAFT NOTE ON PROCEEDINGS OF THE SEVENTH MEETING

Prepared by the Secretariat

1. The Seventh Meeting of the Sub-Committee on Trade of Least-Developed Countries was held on 24 June 1985 under the Chairmanship of H.E. Ambassador M. Huslid (Norway).
2. The Chairman noted that at the previous meetings of the Sub-Committee a number of proposals had been made for future action in favour of the trade of least-developed countries in the context of the implementation of the decisions concerning the least-developed countries taken at the Ministerial Meeting of November 1982. He said that at the present meeting delegations were invited to give further consideration to the proposals made or make any new proposals, especially with a view to the forthcoming mid-term review of the Substantial New Programme of Action scheduled for October 1985. The Chairman drew the attention of the Committee to the draft provisional agenda for the meeting as annotated in document COM.TD/LLDC/W/24 and Corr.1, which comprised three items, namely (a) review of developments in international trade and of commercial policy measures of relevance to the trade of least-developed countries; (b) proposals for further actions in favour of the least-developed countries; and (c) technical assistance by the secretariat in favour of the least-developed countries.
3. In his opening remarks, the Chairman referred to his introductory statement made at the last meeting of the Sub-Committee, which contained certain facts and figures relating to the recent economic performance of the least-developed countries, their difficult current situation and their poor future prospects. He said that the situation had not changed since that statement had been made and that the thirty-six countries presently designated as least-developed were lagging behind other countries, both developed and developing. Likewise, the outlook in the foreseeable future was less favourable for the least-developed countries than for others and there were even suggestions of negative growth figures in some cases. As far as trade was concerned, the Chairman noted that the secretariat document COM.TD/LLDC/W/23 drew attention to the fact that the trade of the least-developed countries was characterized by stagnating exports and large decreases in imports. These estimates of recent trade performance compared unfavourably with trade in other developing countries whose exports (excluding fuels) grew in 1984 by an estimated 15 per cent, while imports declined only slightly.
4. The Chairman said that this situation, as well as the attention given to the problems of the least-developed countries in the context of this year's mid-term review of the SNPA, made it appropriate also for the GATT,

and in particular the Sub-Committee, to take up these problems for renewed consideration. The Chairman added that although it was sometimes argued that trade was not the field where much could be done for the least-developed countries because their problems lay elsewhere, it would be hard to maintain that trade and trade opportunities did not have an importance, and potentially a large importance, for the least-developed countries. Since the realization of this potential did not constitute serious competition or a threat to other trading countries, it was easier to envisage measures which could be taken in favour of the least-developed countries in the trade field.

5. The Chairman also expressed the view that despite the fact that the GATT was built on the principle of equal treatment and that it was important not to erode the GATT system through preferences or other forms of discrimination, the history of GATT showed clearly that the system had been refined and developed in order to take account of differences in the economic strength of different countries. It was clear, for example, that the GSP and the special preferences accorded to least-developed countries through the Enabling Clause were today accepted as an integral part of the GATT system, and were designed to secure a greater degree of equality between contracting parties where some participated with clear handicaps in a heterogeneous world. In the light of these considerations, it could hardly be considered as a threat to the GATT system if some existing measures taken in favour of least-developed countries were somewhat extended or enlarged in a clearly defined manner.

6. The representative of UNCTAD, speaking in an observer capacity, drew the attention of the Sub-Committee to the mid-term review of the SNPA, to be held from the 30 September to the 11 October this year. He said that it was clear that trade and commercial policy measures were an important part of the SNPA, as reflected in the discussions at the Paris Conference in 1981 when the SNPA was launched. The UNCTAD representative said that despite the SNPA and the special measures which had been taken in response to this initiative, the general economic situation of the least-developed countries had not improved and in some cases had actually deteriorated. In this connection, he referred to the drought and famine conditions in sub-Saharan Africa. He expressed the view that there was significant room for improving trade and commercial policies in favour of the least-developed countries, including through extension of GSP coverage to a larger range of least-developed country exports and also the removal of quantitative restrictions and other non-tariff measures affecting these exports. It was the responsibility of other countries to take action in this regard and to achieve concrete results. In relation to the mid-term review of the SNPA, the UNCTAD representative noted that his organization was producing a comprehensive report on the least-developed countries, which would be in circulation at the end of July or in early August. This report would contain an assessment of the general situation facing the least-developed countries and also an analysis of the performance of individual countries. The report would also examine international support for the SNPA and produce a set of conclusions and recommendations for the second half of the SNPA period.

7. The representative of the World Bank said that the particular concern of the World Bank for the poorest developing countries, particularly the least-developed countries, was reflected in the operations of the International Development Association (IDA). In recent years, the World Bank had paid particular attention to the problems of countries in Sub-Saharan Africa, where many of the least-developed countries are

located. A Special Facility for Sub-Saharan Africa had been established, with a budget of US\$1.3 billion to be disbursed over a period of three years with effect from 1 July 1985. The essential concern of the Special Facility operations would be to support structural adjustment programmes and economic policy reforms. Conditions attached to credits given under the Facility would be the same as those of the IDA, namely interest free credits repayable over fifty years with a ten year grace period. The representative of the World Bank said that the Special Facility would finance the type of programme which up until now had received support from the IDA, and these new funds would permit the World Bank to assist effectively those least-developed countries seeking to restructure their economies and accelerate their development.

8. The representative of the World Bank noted the importance of international trade in any structural adjustment programme, for which reason the World Bank was particularly concerned with developments in international trade. This concern was evident from the recent discussions in the Development Committee of the links between trade and development. Finally, the representative of the World Bank drew the attention of the Sub-Committee to the World Development Report of the World Bank for 1985, due for publication in early July, whose central theme would be the role of foreign capital in development. This was a subject of particular interest for the least-developed countries, in terms both of their trade and development prospects.

9. The representative of the FAO said that his organization was fully aware of the interest shown by GATT in improving assistance to least-developed countries. In this connection, he referred to the Sub-Committee's work programme arising from the relevant 1982 Ministerial Decisions. The FAO representative said that he had also taken note of the concern expressed by the Chairman of the Sub-Committee in relation to the need to go beyond a simple consideration of the trade problems of the least-developed countries in a strict sense. He said that many of these countries seemed to face a vicious circle of constraints which combined with continued poverty and rapid population growth, threatened to lead to stagnation or even regression. He said that the work of the FAO was based on the premise that it was necessary to go further than commercial problems and to attack the causes of poverty at a fundamental level, through the concerted action of international organizations and both donor and recipient countries. He said that given the terms of reference of the FAO, the organization was concerned with the effective rehabilitation of the agricultural sector as a fundamental prerequisite for restoring the productive capacity of the least-developed countries. The inter-relationship between production and trade was what made cooperation between GATT and FAO not only relevant, but also necessary. In this connection, the FAO representative noted that GATT and FAO had collaborated in the preparation of previous consultations in the Sub-Committee and would also be cooperating in the preparations for Sudan's consultation.

10. Referring to FAO's activities in the least-developed countries, the FAO representative noted that in the last calendar year the FAO had been involved in projects in developing countries with a value of US\$242 million. Of this amount, the least-developed countries accounted for US\$90 million, or 37 per cent. For the Africa region specifically, the least-developed countries accounted for about 57 per cent of total expenditure. In the light of the critical food situation in Africa, the FAO was increasingly emphasizing the need for specific rehabilitation measures to meet both the short and medium term needs in food and

agriculture in African countries. The FAO had prepared Rehabilitation Programmes for twenty-one of the most seriously effected countries in Africa, involving funds of over US\$100 million. These Rehabilitation Programmes concentrated on assuring adequate supplies of inputs for the coming season, logistical capacity and incentives for local supply of these inputs, access to these inputs for all farmers through credit or other means, adequate technical assistance and appropriate marketing and tenure arrangements to ensure an equitable sharing of benefits. The governments concerned were expected to make substantial national efforts in order to ensure the success of these Rehabilitation Programmes. Moreover, experience had shown that it was essential to ensure adequate follow-up and monitoring if the Programme was to be successful.

Agenda item (i): Review of developments in international trade of relevance to the trade interests of least-developed countries and of recent commercial policy measures in favour of least-developed countries

11. The Chairman noted that this agenda item combined certain items which had been separately treated at the previous meetings of the Sub-Committee, namely the review of recent developments in international trade of relevance to the least-developed countries, the identification of existing barriers to the exports of least-developed countries and the review of commercial policy measures in favour of least-developed countries. He said that the new arrangements gave more cohesion to the discussion in the Sub-Committee. The Chairman referred to the secretariat note COM.TD/LLDC/W/23, which described recent developments in the trade and payments situation of least-developed countries and new commercial policy measures of relevance to the least-developed countries. He also said that members of the Sub-Committee might wish to refer to the secretariat note COM.TD/LLDC/W/17 which had been issued for the previous meeting of the Sub-Committee and which contained available information on tariff and non-tariff measures affecting the exports of least-developed countries.

12. Many representatives referred to the poor trade performance of the least-developed countries, which had shown further deterioration during the last year. It was noted, however, that results varied among the least-developed countries and that some of them had been more successful in expanding output and trade than others. One representative said that whilst efforts would continue to be made to explore possibilities for facilitating and expanding the trade of least-developed countries, it was necessary to recognize that the circumstances facing many of the least-developed countries reflected indigenous problems which transcended the Sub-Committee's and GATT's expertise and field of operations.

13. The representatives of a number of least-developed countries expressed their gratitude to the developed countries for the efforts that they had made in improving conditions of access to their markets for the least-developed countries. These representatives, however, also expressed the view that there were certain areas where there was room for improvement. They also emphasized that the trade of least-developed countries represented only a very small share of world trade, and as such could not be said to pose any danger of injury to domestic industries in developed countries. They said that this fact was not always adequately taken into account when decisions about policies affecting the trade of least-developed countries were taken. Their views were endorsed by several representatives from other developing countries present at the meeting. The Chairman observed that available statistics showed not only that the least-developed countries had a modest export capacity in relation to world

trade flows, but also that exports from least-developed countries were lagging relative to world exports. In this connection, he noted that whilst the least-developed countries accounted for 0.8 per cent of world exports in 1970, in 1980 their share was only 0.4 per cent. It was in the light of this situation that the Sub-Committee might give active consideration under the next agenda item to the proposals contained in COM.TD/LLDC/W/22.

14. Several representatives informed the Sub-Committee of recent action taken by their authorities in favour of the least-developed countries. The representative of the United States said that on 29 April 1985, as required by statute, the President had notified congress of his intention to exempt designated least-developed GSP beneficiaries from the GSP programme's competitive need limitations with effect from 4 July 1985. In addition, the results of the 1984 GSP product review had recently been announced, and as a result of this review new items with trade valued at US\$41 million from GSP beneficiaries had been added to the GSP scheme, further expanding the base of duty-free benefits available to the least-developed countries.

15. The representative of New Zealand drew the Sub-Committee's attention to the recent decision to exempt with effect from 1 July 1985 all imports from the least-developed countries from import duties. He said that this decision was taken in accordance with the relevant 1982 Ministerial Decisions. The New Zealand representative noted that there was provision for limited exceptions to the new measures, and referred to the exclusion of baler twine which was a product covered by an industry plan yet to be fully implemented, and also to certain items falling within Schedule 3 of SPARTECA, including passion fruit products, coconut cream, lime juice, articles of apparel, and footwear. He said that the latter exclusions were made in order to protect the already fragile economies of certain Pacific Island States rather than to protect New Zealand industry. The representative of New Zealand also noted that as a result of the introduction of duty-free treatment for least-developed countries a number of specific requests received from Bangladesh, Tanzania and the Central African Republic had been effectively met, at least as far as tariff treatment was concerned. In regard to non-tariff measures and licensing restrictions, a number of these had also been removed, and a list of products was available to interested contracting parties. The products included beeswax, certain tea, certain coffee, glycerine and certain sacks and bags.

16. The representative of Japan noted that his country had established special preferences for least-developed countries under the GSP as early as 1980. He also referred to the recent decision to remove ceiling limitations, with effect from 1 April 1985, on duty-free treatment for least-developed countries in respect of woven fabrics of jute or of other textile coat fibres. The Japanese representative also noted that a new round of negotiations would provide an opportunity for seeking further improvements in GSP schemes.

17. The representative of the European Communities said that his authorities continued to make efforts to provide the least-developed countries with unrestricted duty-free entry. Almost all products from the least-developed countries entered duty-free, the main exception being those items covered by the Communities' Common Agricultural Policy. The representative of the EEC also noted that the Lomé Convention was important to the least-developed countries since thirty of them were Lomé signatories, benefiting not only from preferential access, but also from

other provisions of the Lome Convention, including STABEX. Furthermore, special funds had been made available for non-Lomé countries in order to finance various development projects. The EEC representative also mentioned the special food and emergency aid which had been made available for Sub-Saharan Africa.

18. The representative of Canada drew the attention of the Sub-Committee to a decision taken in August 1984 to amend the rules of origin regulations of the Canadian GSP in order to allow for the implementation of global cumulative origin among beneficiary countries. He also referred to the decision to lower the material content requirements for the rules of origin from 60 per cent to 40 per cent for the least-developed countries.

Agenda item (ii) and (iii): Proposals for further action in favour of the least-developed countries; Secretariat technical assistance to least-developed countries

19. In introducing this agenda item the Chairman pointed out that the Sub-Committee, as such, could not take a final decision on the proposals contained in document COM.TD/LLDC/W/22 (See Annex) which was before it. Its task would be, however, to discuss and develop them and then to present any agreed proposals to the Committee on Trade and Development for their consideration. He suggested, as a matter of procedure, that the proposals should be carried over to the next meeting of the Sub-Committee and that they should be set out in such a way that they could be regarded as a useful input for the mid-term review of the SNPA, which would show that the GATT had a concrete programme for the least-developed countries. He added, in this regard, that it would be useful if the proposals could be commented on and annotated by the secretariat for the next meeting of the Sub-Committee. This could take the form of information on each of the proposals, showing actions taken or intended by contracting parties, as well as their legal GATT coverage. He expressed the hope that this would encourage further discussion of the proposals and facilitate their final adoption by the CONTRACTING PARTIES.

20. While endorsing the procedural suggestions of the Chairman and the proposals in general, the representative of Tanzania pointed out that the proposal on technical assistance, as it stood, did not fully reflect the emphasis and importance given to this matter in the Ministerial Declaration. He added that any such proposal should cover GATT secretariat technical assistance as well as the activities of the ITC. The Chairman explained that the proposal on technical assistance was not intended to fully reflect the broad issue of technical assistance outlined in the Ministerial Declaration, but merely to point out the areas where priority should be given to the least-developed countries in the provision of such technical assistance. It should therefore be considered in conjunction with the original decision contained in the Ministerial Declaration. At this juncture the Chairman suggested that discussions on the proposal on technical assistance could be combined with comments on agenda item (iii) dealing with secretariat technical assistance.

21. The representative of ITC gave a comprehensive account of the activities of the ITC, especially in the field of technical assistance in trade promotion and export development. He stated that within the technical co-operation programme of the ITC, assistance to the least-developed countries was being given particular attention. Assistance to this group of countries had increased steadily to reach US\$4 million in 1984, representing 26.6 per cent of the ITC technical co-operation

programme. In 1984, ITC assisted fifty-seven developing countries and there were twenty-one ITC support projects in seventeen least-developed countries. It also implemented UNCTAD projects in two other least-developed countries. He pointed out that in order to stress the high priority in assisting the least-developed countries, a special programme of technical co-operation with these countries was launched in 1979. The programme has focused on activities designed to assist least-developed countries in widening their extremely limited export product base through a better use of domestic resources.

22. Activities in this regard have concentrated on identifying and designing pilot export-oriented development projects and the methodologies adopted included export pre-feasibility reports, project profiles, integrated plans and development of schemes for financing and rehabilitation of import projects by national development financing institutions.

23. The representative of the ITC further noted that his organization had been actively involved in following-up on the implementation of trade promotion activities included in the SNPA and falling within its areas of competence. It had, since 1979, also introduced a special programme of technical co-operation in import operations and techniques, mainly directed to improving import regimes, rationalizing import procurement and materials management, as well as providing import management information and import training. There were currently six fully operational country projects in import operations and techniques, of which four were in least-developed countries i.e., Burundi, Ethiopia, Rwanda and the United Republic of Tanzania.

24. Another field of activity of particular interest to least-developed countries was in relation to commodities, especially cocoa and cocoa products, coconut products, coffee and processed coffee, tropical timber and timber products, vegetable oils, natural rubber and rubber products. Commodity-related projects encompassed product and market development, training, specialized trade promotion services and trade information. He stated further that in the field of technical assistance the ITC had increasingly been co-operating with various other international bodies within and outside the UN system. They included UNCTAD, UNIDO, FAO, ILO, the World Bank and a number of intergovernmental organizations. With the GATT it had collaborated closely, inter alia, in organizing trade policy seminars, and in the programme of consultations involving least-developed countries and their trading partners. By way of conclusion, the representative of the ITC enumerated the following as areas in which the ITC had been providing assistance to least-developed countries:

- strengthening institutional infrastructure;
- manpower development at all levels;
- efforts, in co-operation with other agencies, aimed at the development of the export-oriented production base;
- trade information - both export and import related - contributing to the awareness of, and better utilization of various facilities offered by the developed countries;
- identification of export potential, current and future supply and demand profiles for exportable products;

- assistance in streamlining import operations and techniques;
- development of commodity-based products with higher value added.

25. The representative of Bangladesh stressed the need to take concrete measures to arrest the deteriorating trend in the economic situation of the least-developed countries, and added that the seven proposals being discussed in the Sub-Committee should help in facilitating and promoting the trade of the least-developed countries. He pointed out that some of the proposals like that on quantitative restrictions and non-tariff measures, could not be considered simply in relation to the present scope of GATT rules, as they were not fully covered by the Enabling Clause. He appealed to developed countries to pronounce themselves favourably on the proposals and take a decision. He said that the deteriorating economic situation of the least-developed countries fully justified a favourable decision on the proposals. This would also be fully consistent with the relevant sections of the Ministerial Declaration, and in the spirit of the various resolutions adopted by the international community to ensure special treatment for the least-developed countries. He emphasized that a decision in this regard at the present session would be an important input for the mid-term review of the SNPA, scheduled to be held in September/October 1985.

26. The representative of Japan informed the Sub-Committee that his government was seriously considering the proposals listed in document COM.TD/LLDC/W/22. It was, however, the opinion of his government that the proposals for special GSP treatment in favour of the least-developed countries, the removal of non-tariff measures on their exports, the establishment of special schemes for handmade products, and of special rules of origin etc, were proposals which needed careful examination, taking into due consideration the special economic situation of these countries.

27. The representative of the United States stated by way of a general comment that in principle her government was willing to consider additional measures in favour of the least-developed countries. She added, however, that suggestions of new measures or the expansion of existing rules and decisions could more appropriately be discussed within the larger context of the review of the Enabling Clause and the work on Part IV. The sections of the Enabling Clause specific to the least-developed countries should not be spun off to be treated separately. She went on to give the preliminary reaction of her authorities to each of the proposals.

28. With regard to the first proposal, she pointed out that the US GSP scheme provided duty-free treatment for beneficiary developing countries on over 3,000 products at the five digit tariff level, and beneficiary least-developed countries enjoyed exemption from the competitive need limitations in regard to all these products for the duration of the scheme. With regard to the second proposal, she stated that apart from the GSP scheme which gives duty-free concessions without quantitative limits, the least-developed countries benefitted from accelerated staging of the final MTN concessions granted during the Tokyo Round. As a result of these measures, about 75 per cent of the exports of the least-developed countries entered the US duty-free in 1984. Most of this trade was duty-free on an m.f.n. basis. The US was willing to consider additional liberalization measures but the Administration at present did not have the authority from Congress to undertake unilateral tariff reductions. As the thinking on a new round of negotiations advanced, individual contracting parties could

consider how best it could improve the situation for the least-developed countries. With regard to the third proposal, she referred again to the fact that the competitive need criterion in the US scheme had been waived in favour of the least-developed countries. Regarding handmade products, she pointed out that they received varying tariff treatment on entry into the US and a wide variety of them were included in the GSP scheme. The programme enabled beneficiary countries to request the addition of new items to the GSP during the review process. She also noted that handmade textile products were exempt from quotas.

29. On the fifth proposal, concerning technical assistance in matters of quality, technical standards and sanitary requirements, she informed the Sub-Committee that the US provided advice and information to interested developing countries through a variety of bilateral channels as part of its programme of development assistance. Depending upon the area of particular interest, and resources permitting, the US was prepared to consider additional requests for technical assistance seminars, information and other programmes.

30. With regard to the sixth proposal, she stated that it was not clear to her delegation whether what was being implied in the Chairman's informal suggestion was an expansion of the interpretation of the Enabling Clause in order to permit action on the proposal or that new decisions had to be taken by the CONTRACTING PARTIES. Her authorities considered that the review conducted by the Committee on Trade and Development on the effectiveness of the operation of the Enabling Clause would be the most appropriate way to discuss the issue. She added that if the Enabling Clause was to be the subject of a revision or interpretation in favour of the least-developed countries, then it should be examined in its entirety because of the implications of such changes for other contracting parties and various other issues. She went on to question the practical benefits which would result from the proposal, adding that a preliminary look at quantitative restrictions maintained by the United States affecting exports of least-developed countries indicated that only textiles items from three least-developed countries were actually affected. Thus, the United States would like to know what the positive practical effects of the proposal would be before discussing the modalities. The representative of the US further asked for clarification as to whether the action would apply to all developing countries or only to the least-developed. Moreover she would also assume that measures such as textile quotas or Section 22 actions, which were maintained pursuant to derogations approved by the CONTRACTING PARTIES, would be exempted from the measures being proposed. The US position was that if measures were not derogations and exceptions approved by the CONTRACTING PARTIES, then they should be eliminated or brought into conformity with the General Agreement on a non-discriminatory basis. To do otherwise would give these actions a position of legitimacy which would be contrary to the interests of all contracting parties. With regard to the seventh proposals he stated that the United States would keep an open mind. It had to be borne in mind, however, that actions to modify origin rules in favour of the least-developed countries would require legislative action by Congress. She added that the United States was reviewing the question of origin in the context of the decision adopted at the GATT Ministerial Conference.

31. The Chairman stated that the comments on the proposals made by the representative of the United States clearly warranted further discussion and reflection. Although the Sub-Committee had no decision-making authority, he felt that it was the legitimate body for the sort of

proposals and initiatives under consideration. The final decision on these proposals would have to be taken by the CONTRACTING PARTIES. As to the practical consequences of the proposals, the Chairman stressed that in such matters one had to proceed step by step, and even if the proposals resulted in the removal of restrictions on a few items it might be of major importance to the least-developed countries concerned. He added that some of the concern expressed might be cleared up with the help of the secretariat through the procedural suggestions he had made earlier.

32. The representative of Canada supported the suggestion which called upon the secretariat to clarify some of the proposals, and added that in most cases these proposals should help in improving the trade prospects of the least-developed countries. He stated that Canada supported by and large most of the proposals. Commenting on the first proposal, he pointed out that his country already provided duty-free special tariff concessions to the least-developed countries in its GSP scheme. He noted, however, the second proposal sought to enlarge the GSP scheme. He stressed that GSP schemes were designed basically to help developing countries promote their exports of industrialized goods, and at the early stage of the scheme it was generally understood that agricultural products would not be fully covered. Nevertheless, Canada, like some other countries included some agricultural products in its scheme. If the implication of the second proposal was an overall expansion of the coverage of GSP schemes, and this was a point worth clarifying, then it was a question which needed careful consideration in a broader perspective, and perhaps in a broader forum than the Sub-Committee. While agreeing with the argument made earlier by certain delegations that the trade of the least-developed countries does not generally cause injury to other markets, he could not accept it as a universal proposition, since experience proved otherwise. He also wondered how the sixth proposal concerning quantitative restrictions would relate to Article XIX and global quotas, since Article XIX requires the non-discriminatory use of quotas. If the proposal implied the exemption of the least-developed countries then it was an issue which needed careful consideration, and a secretariat clarification on that point would be welcome.

33. In response to some of the above remarks the Chairman pointed out that the proposals were meant to concern solely the least-developed countries, and added that their legal coverage, including their relationship to Article XIX could be analysed in the secretariat documentation he had proposed.

34. The representative of Norway, speaking on behalf of the Nordic countries, expressed his support for the procedural suggestion of the Chairman, and said that an annotation of the proposals by the secretariat could facilitate a more exhaustive discussion of the proposals at the next meeting of the Sub-Committee. While expressing his general support for the seven proposals, he stressed the need for their further clarification. He added that while it was appropriate for the proposals to be initiated in the Sub-Committee, further discussions would need to take place in the Committee on Trade and Development, particularly if the Enabling Clause was to be used as the legal cover for any additional action in favour of least-developed countries which was not already covered by existing provisions. He added that at a later stage proposals could be introduced within the context of comprehensive trade negotiations.

35. In an earlier intervention, the representative of the EEC expressed support for measures which would assist the least-developed countries to

address the very difficult economic situation which they faced. He said that the specific proposals for further action before the Sub-Committee were very interesting, but noted that the proposal for liberalization of non-tariff measures not covered by existing GATT Agreements and Arrangements would require a decision by the CONTRACTING PARTIES. He said that this matter required further discussion and reflection, and added that the relevance of the work of the Group on Quantitative Restrictions and Other Non-Tariff Measures to this question it might also be worth examining.

36. In his concluding remarks the Chairman stated that it had not been possible at the current meeting of the Sub-Committee to take a final stand with regard to concrete action concerning the proposals, but it had been stressed by several contracting parties that the discussions should be pursued at the next meeting of the Sub-Committee. He added that while there had been expressions of general support for the proposals there had also been requests for further clarification in regard to some of them. He expressed the hope that after they had been fully discussed, concrete proposals could then be put forward to the Committee on Trade and Development and ultimately to the CONTRACTING PARTIES. In the meantime the proposals would be fully enumerated and annexed to the normal secretariat report on the meeting in such a way that they might be useful not only as the GATT contribution to the forthcoming mid-term revision of the SNPA scheduled for the beginning of October 1985, but also for the broad negotiations being contemplated in the GATT in the near future. He added that the proposals should be commented on and annotated by the secretariat so as to include information on actions already taken or envisaged, legal considerations and practical consequences. Such information might be of use to contracting parties in their further evaluation of the proposals.

37. With regard to the next meeting of the Sub-Committee, the Chairman noted that subject to confirmation, it might take place on 14 October 1985, when there might also be ad hoc consultations between the Republic of Sudan and the Central African Republic with their trading partners. In conclusion, he expressed his gratitude to the international organizations represented for their active and valuable contribution to the work of the Sub-Committee.