

SECOND SESSION OF THE PREPARATORY COMMITTEE OF THE
UNITED NATIONS CONFERENCE ON TRADE AND EMPLOYMENTARTICLE 30Note by the Chairman of the Sub-Committee

The Sub-Committee dealing with Article 15 has asked the Sub-Committee on Article 30 to consider a point raised by the South African Delegate regarding paragraph 3 of Article 15. As this request was received after the Sub-Committee on Article 30 had completed its Report for submission to Commission B, I suggest that this matter should be raised in Commission during the discussion on Article 30.

The point in question concerns the South African Delegate's objection to the inclusion of the word "transportation" in paragraph 3 of Article 15. He has pointed out, *inter alia*, that internal transport services sometimes discriminate against imported products, and recognised that the inclusion of the reference to transportation in paragraph 3 was intended to stop this form of discrimination. He maintained, however, that no attempt was made in the Charter to prevent other forms of discrimination on the part of transport services, for example, the granting of reduced charges on goods for export.

Commission B is asked to state its view as to whether this type of export subsidisation, to which the South African Delegate has drawn attention, is prohibited under Article 30. If this is not the case, the Commission is asked to consider whether it is desirable to amend Article 30 so as to prevent this type of discrimination in transport charges.

It would appear to me that, under the new text of Section D - Subsidies (E/PC/T/124), this type of subsidization would be subject to the provisions of Article I if it "operates directly or indirectly to increase exports of any product...", and to the provisions of Article II if it "results in the sale of such product for export at a price lower than the comparable price charged for the like product to buyers in the domestic market.....".