

GENERAL AGREEMENT ON TARIFFS AND TRADE

LDC/M/3
2 December 1965
Special Distribution

MINUTES OF THE MEETING OF A GROUP OF LESS-DEVELOPED COUNTRIES ON 25 AND 26 NOVEMBER 1965¹

I. General

1. The third of the regular weekly meetings of a group of representatives of less-developed countries was held on 25 and 26 November 1965.
2. The meeting was attended by the representatives of Brazil, Chile, Cuba, Ghana, India, Indonesia, Israel, Jamaica, Nigeria, Peru, Trinidad and Tobago, the United Arab Republic and Yugoslavia.
3. H.E. Mr. E. Letts, Ambassador of Peru presided over the meeting.
4. The meeting of the Group was overshadowed by the tragic death of President John F. Kennedy, a great statesman and a friend of less-developed countries. In expressing this feeling of grief the Chairman of the Group, on behalf of all its members, sent a letter of condolence to the Head of the United States Mission. For the text of this letter see the Annex.
5. The Group agreed that the best homage to the late President would be to continue with the work and to ensure that the forthcoming round of tariff negotiations popularly known already as the "Kennedy round" which was also of great significance for the export trade of less-developed countries, would be brought to a successful conclusion.

II. Summary of the discussions

6. The Group addressed itself to two main subjects:
 - measures and methods to implement the proposal for the granting of preferences to exports of less-developed countries; and
 - considerations relating to participation of less-developed countries in the forthcoming trade negotiations.

¹ Circulated to the permanent representatives of less-developed countries, who are members of the Action Committee, as agreed at the meeting of less-developed countries on 29 October 1965 (LDC/1, page 5).

A. Measures and methods to implement the proposal for the granting of preferences to exports of less-developed countries

7. In considering various possibilities for the granting of preferences to exports of less-developed countries, the Group took up a proposal by the representative of the United Arab Republic that highly developed countries should grant less-developed countries 50 per cent over and above the 50 per cent tariff reductions envisaged to be achieved in trade between highly developed countries during the forthcoming trade negotiations. The Group agreed that this proposal provided a good point of departure for its discussions. On the other hand, the preferential margin thus established might in many cases not be sufficient to ensure the competitiveness of the exports of less-developed countries in markets of industrialized countries. Whether or not this margin was sufficient depended not only on the products involved but also on the rate of duty being applied on the products in the countries concerned. The Group decided that it would want to examine further the technical aspects of this question before putting forward a formula to implement the proposal.

3. As regards the scope of the envisaged preferential arrangements, the Group agreed that it would, in principle, be desirable and of economic benefit to the less-developed countries to have the preferences granted on all products exported by less-developed countries. The Group recognized that there might be cases where this would involve particular difficulties for the importing countries. To the extent that the importing countries felt that they could not grant preferences on one product or the other, they should be prepared to consult with the less-developed countries regarding such exception. The Group also had a preliminary discussion of procedures designed to ensure that the preferences would in fact assist the development of efficient industries in less-developed countries in accordance with their needs and requirements. One of the criteria suggested for determining the phasing out of preferences, or possibly even the granting of preferences, was to relate preferences to export performance of the country concerned, for example, its percentage share in the markets of importing countries. The Group agreed that this matter would require further study.

B. Participation of less-developed countries in the forthcoming trade negotiations

9. In the discussion under this heading, the Group discussed various criteria and conditions to ensure that the forthcoming trade negotiations, which the less-developed countries fully supported, would in fact produce acceptable results for the less-developed countries. Specifically, the Group felt that the following conditions should be met in the trade negotiations:

- (i) As less-developed countries were not in a position to exchange tariff concessions with industrialized countries on an equal footing, they should not be asked to grant concessions on a basis of full reciprocity. Any concessions by less-developed countries would be on a voluntary basis, it being understood that in most cases they would probably not be in a position to offer more than token concessions.
- (ii) As regards products of special export interest to less-developed countries a tariff reduction in excess of the 50 per cent linear cut envisaged should be granted by the industrialized countries for imports from less-developed countries. (See also paragraph 7 above.)
- (iii) The forthcoming trade negotiations should cover agricultural as well as industrial products.
- (iv) Products of export interest to less-developed countries should not be included in the "exceptions list". Also, the rules for linear tariff cuts applicable to industrialized countries should not be applied automatically to the trade of less-developed countries.
- (v) Since in many cases tariffs were not the major obstacle to an expansion of exports, industrialized countries should also grant concessions in respect of non-tariff barriers.
- (vi) Provision should be made to ensure that countries newly acceding to the GATT should share fully in the benefits expected to be obtained by less-developed countries from the trade negotiations.

10. Finally, the Group stressed that in arranging the programme of meetings of the Trade Negotiations Committee and its subsidiary bodies, provision would have to be made to ensure that sufficient time would be available for the discussion of the various problems relating to the effective participation of the less-developed countries in the trade negotiations.

11. The next weekly meeting of the Group will be held on 2 December 1963, starting at 10 a.m. The meeting will be held in Salle XI, Palais des Nations, Geneva.

25 November 1963

Sir,

The representatives of the less-developed countries in the GATT, meeting on Monday 25 November 1963, have asked me to convey to you their heartfelt sympathy and condolences for the American people on the tragic death of John F. Kennedy, a great statesman and a great friend of less-developed countries. With you, we all share a profound sense of sympathy for Mrs. Kennedy and her children in their bereavement.

Yours sincerely,

(sgd)
E. Letts
Ambassador of Peru
Chairman of the Meeting of
Less-Developed Countries
on 25 November 1963

Mr. John W. Evans,
Minister for Economic Affairs,
United States Mission,
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Geneva.