

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

MIN(63)W/1  
17 May 1963

Limited Distribution

MINISTERIAL MEETING  
16-21 May 1963

Original: English

## ITEM I. MEASURES FOR THE EXPANSION OF TRADE OF DEVELOPING COUNTRIES AS A MEANS OF FURTHERING THEIR ECONOMIC DEVELOPMENT

### Point I - Standstill Provision

The United Arab Republic agrees to this recommendation, but notes that the reservation expressed by some industrialized countries for resorting to limited exceptions in certain cases is not justified. Since the Articles of the General Agreement provide for action in such cases, this reservation would actually render the recommendation of little practical significance.

### Point II - Elimination of Quantitative Restrictions

The UAR supports this recommendation, but would suggest making minor changes as re-drafted hereunder:

"Quantitative restrictions on imports from less-developed countries - inconsistent with the provisions of the GATT, and taking into consideration their countries' efforts to industrialize and diversify their economies - shall be eliminated within a period of one year. Where, on consultation between the industrialized and the less-developed countries concerned, it is established that there are special problems which prevent action being taken within this period. The restriction on such items will be progressively reduced and eliminated by 31 December 1965."

The UAR would like to stress in this connexion that the elimination of such restrictions should also cover inter alia restrictions which may be imposed at a time when the marketing of certain products is in its full swing thus hampering imports from developing countries.

### Point III - Duty-Free Entry for Tropical Products

We sponsor the recommendation as stated on page 2 of the agenda. We are of the opinion that the free entry should be generalized to all tropical products. It is suggested that the recommendation be redrafted as follows:

"Duty-free entry into the industrialized countries shall be granted to all tropical products and to all exporting developing countries, without discrimination, by 31 December 1963."

Point IV -- Elimination of Tariffs on Primary Products

As to the reservation made by some industrialized countries that these products would be the subject of tariff reductions within the framework of the proposed tariff negotiations, the UAR would like to stress the view that the elimination of tariffs on such products should be effected not later than 31 December 1963. This could be justified on the ground that the tariffs in question are so low that their elimination would hardly jeopardize the interests of the advanced countries. Moreover under the drawback or temporary admission systems the duties are refunded in case of re-export after being processed.

The recommendation should thus be redrafted as follows:

"Industrialized countries shall agree to the elimination of customs tariffs on the primary products important in the trade of less-developed countries. The measures necessary in this connexion shall be promptly taken in order to give it effect by 31 December 1963."

Point V - Reduction and Elimination of Tariff Barriers to Exports of Semi-Processed and Processed Products from Less-Developed Countries

The UAR wishes to stress that the diversification and industrialization of the economies of the less-developed countries are within the very objectives of the General Agreement.

The access of the semi-processed and processed products of the less-developed countries to the markets of the industrialized countries is of fundamental importance for achieving these objectives. Moreover, the expansion in foreign exchange earnings would increase the import capacity for capital goods and thus the reduction and eventually the elimination of tariff barriers would be of interest to the industrialized countries as well. It goes without saying that such exports being limited in volume should not in actual fact cause any concern to advanced countries. For these reasons the UAR is of the opinion that the tariff barriers should be eliminated and suggest the following version of the recommendations:

"Industrialized countries should take the necessary measures for the complete elimination of tariff barriers to exports of semi-processed and processed products from the less-developed countries. This should be effected by an outright reduction of 50 per cent of the present duties, the remaining 50 per cent to be eliminated by stages over the next three years."

Point VI - Progressive Reduction of Internal Fiscal Charges  
and Revenue Duties

The UAR observes, in connexion with the recommendation advanced under this item, that the reservation made by some industrialized countries that acceptance of the proposal would give them major difficulty is not justified. Circumstances have changed since such fiscal charges and duties were first imposed for revenue purposes. With the growth and diversification of revenue resources of the industrialized countries, the elimination of these charges and duties by 31 December 1965 would hardly affect their revenues. It goes without saying that this measure would promote the exports of products subject to such duties.