

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

LDC/M/40

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Special Distribution

MINUTES OF THE MEETING OF THE GROUP OF LESS-DEVELOPED COUNTRIES ON 23 MAY 1966

Prepared by the Secretariat

1. The fortieth in a series of regular meetings of the group of less-developed countries in GATT was held under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Argentina, Brazil, Chile, India, Indonesia, Israel, Jamaica, Nigeria, Pakistan, Peru, Trinidad and Tobago, Tunisia, United Arab Republic, Uruguay and Yugoslavia.

2. In the light of the recent discussion in the Committee on Trade and Development and at the twenty-third session of the CONTRACTING PARTIES, the group had an exchange of views on the Committee's work programme for the coming months. Bearing in mind the points made at the last meeting of the group (see LDC/M/39), the group generally felt that at present when the Kennedy Round was approaching a decisive stage, the attention of the developing countries and that of the Committee on Trade and Development should be concentrated on problems directly related to those negotiations. This should not be taken as an indication of any subject being regarded as unimportant or given low priority; it was merely that the most economic and effective use must be made of the limited resources available, so as to achieve the best results from the opportunity presented.

3. The group was informed that the Chairman of the Committee on Trade and Development intended to request the convening of the Committee early in June. The group reviewed all the subject matters that could be examined by the Committee and generally agreed that at that meeting the Committee should be asked to take up the following subjects:

- (a) procedures for review of implementation of Part IV;
- (b) quantitative restrictions;
- (c) non-tariff measures for the expansion of trade among developing countries;

(d) review of recent developments in the Kennedy Round of interest to developing countries, and

(e) date and agenda for the meeting in Montevideo.¹

4. Members of the group considered that contracting parties, in particular less-developed countries, which had not yet ratified or accepted the protocol relating to Part IV, should be urged to do so as early as possible. The secretariat was requested to circulate a paper showing the present situation regarding the acceptance of that protocol.

5. Members of the group referred to the statement in the Committee's report L/2614 that there had been lapses on the part of certain contracting parties in observing the standstill provisions involving increases in duties on products exported by less-developed countries. In view of the importance of the standstill rule to less-developed countries, the group requested the secretariat to supply details to substantiate that statement.

6. In the course of discussing the timing and arrangements for further consideration of import restrictions within the framework of the Committee, some members of the group once again pointed out that, while quantitative restrictions maintained for balance-of-payments reasons were subject to regular consultations, there existed no effective procedures to deal with import restrictions maintained in contravention of the provisions of the General Agreement. Some members of the group suggested that, while it was true that the question of compensation would be further examined by the Group on Legal Amendments to the General Agreement, the Group on Residual Restrictions, in carrying out the country-by-country discussions on restrictions, should keep that proposal in mind. Discussions on restrictions could also cover, where appropriate, the question of the use of adjustment assistance measures as a means of securing the removal of the restrictions.

7. One member of the group suggested that the Group on Expansion of Trade Among Developing Countries, while dealing with non-tariff measures, might undertake a study of transport problems as relevant to the trade of developing countries, if necessary in consultation with other international organizations competent in this field.

¹These items have been included on the provisional agenda for the meeting in COM.TD/W/23, issued since the group's meeting.

8. It was noted in the course of the discussion that the agenda item mentioned under (c) in paragraph 3 above referred only to "non-tariff measures" because arrangements had already been agreed upon for the negotiation of tariff concessions, including preferential concessions. In fact the group of less-developed countries would itself shortly be taking up this question.

9. The group considered that, at its next meeting, the Committee should review recent developments in the Kennedy Round of interest to less-developed countries, particularly in relation to tropical products and the lists of products submitted by less-developed countries. Several members of the group pointed out that less-developed countries participating in the Kennedy Round had been experiencing difficulties in receiving information on developments in the sub-committees and sub-groups dealing with the various aspects of the trade negotiations. Unless complete information was available it was not possible for less-developed countries to make adequate preparation for action. Less-developed countries should stress this problem at the next meeting of the Committee. Further, information on any offers by industrialized countries on import restrictions, non-negotiable as they were, should also be made available to less-developed countries. The question of using adjustment assistance measures by industrialized countries for the purpose of enabling the removal of tariff and other trade barriers should also be considered by the relevant body dealing with the negotiations.

10. As stated above, the group exchanged views also on matters not to be included on the agenda for the Committee's next meeting. The group was advised that the secretariat would shortly circulate a note reviewing those problems and indicating how, in its view, they should be taken up.¹ In the course of this exchange the following points, inter alia, were made.

11. It was suggested that the Group on International Commodity Problems should study the existing trade practices and systems in the developing countries with particular reference to the financing of external marketing of main primary products and raw materials, with a view to ensuring that producing countries share equitably in the final prices paid for their main export products. The GATT studies on cocoa, cotton and timber, which mainly dealt with the tariff and non-tariff barriers, should be completed and others on selected products of

¹This has since been issued as COM.TD/W/24.

interest to less-developed countries should be started as soon as possible. The Group concerned should also seek collaboration with other international organizations working in this field.

12. It was noted that the UNCTAD Group on Preferences was going to meet in July 1966. In order to avoid duplication of work in this field, the group felt that developments in that forum might be awaited before the possibility of convening the GATT Group concerned should be considered.

13. The group agreed to meet again on Monday, 6 June at 10.a.m., i.e. the day before the opening of the next meeting of the Committee.