

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/3710

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## GROUP OF THREE

### Second Report

1. At their twenty-seventh session in November 1971, the CONTRACTING PARTIES received indications from representatives of a number of contracting parties of the positive consideration given by their governments to the implementation of the recommendations contained in the report of the Group of Three (document L/3610). Representatives of certain other contracting parties, while stressing their governments' favourable approach in principle, indicated that more time was required to consider these recommendations in detail. The CONTRACTING PARTIES expressed the hope that governments which had not yet completed their review of the Group's recommendations would do so as soon as possible. Governments were also invited to consider individually, and, where necessary in consultation with other contracting parties, what may be done to resolve any specific problems in adopting measures in pursuance of the recommendations made by the Group of Three.
2. The CONTRACTING PARTIES, at the close of their session, agreed that the Group of Three should be retained in order to ensure follow-up action on the recommendations made in the Report and to explore possibilities of resolving difficulties in the implementation of these recommendations. The Group was also asked to consider how the implementation of Part IV of the General Agreement might be facilitated.
3. The Group's mandate was enlarged in February 1972 when two further tasks were allotted to it by the Committee on Trade and Development. It was suggested that the Group might see how progress could be made towards resolving the problems of vegetable oils and oilseeds. The Committee further agreed that the Group should take up the question of how the work of the Group on Residual Restrictions could be given a new orientation.
4. In March 1972 the Group held consultations with sixteen developed countries and the Commission of the EEC. These consultations permitted an informal and frank exchange of views on all matters the Group was requested to consider. The results are reflected in Sections I and II of the Report and in the country notes annexed to it. In addition, observations and suggestions made by delegations in the course of the consultations as well as its own deliberations have led the Group to take up in Section III certain other aspects of the trade of developing countries and to give attention to possible implications for these countries of recent important developments in international economic relations.

5. The Group of Three wishes to record its appreciation of the helpful attitude of delegations of developed countries in the consultations. The information supplied and the suggestions offered assisted the Group of Three in its work and facilitated the formulation of recommendations and ideas put forward in this report. The Group would like to express its warmest thanks to the secretariat for its very helpful co-operation, especially with regard to the useful information supplied in connexion with the follow-up of recommendations of the previous Group of Three report, the completion and bringing up to date of all documentation related to each consulting country, as well as for the valuable assistance given throughout the consultations. The Group also acknowledges the help given by the International Trade Centre in providing information in regard to measures for export promotion.

#### INTRODUCTORY REMARKS

6. The consultations gave the group in the first place an opportunity to review in some detail the work in relation to trade problems of developing countries carried out in the various committees and bodies of the GATT. The Group wishes to direct attention to the comments and recommendations it has put forward with respect to the normal working of the GATT machinery and believes that there is scope for a more effective utilization of this machinery.

7. The Group has also viewed past trends in the export performance of developing countries against the background of major developments in international trade policy that have taken place since the Group's predecessors concluded their work. The Group believes that the comprehensive multilateral negotiations to expand world trade, scheduled to be launched in 1973, will provide a real opportunity for concerted action with respect to problems in the agricultural and non-tariff barrier sectors. In the more immediate perspective there is the enlargement of the EEC to which the Group also gave some thought and on which it has offered some suggestions. It appears to the Group that the merger of the customs tariffs of the countries involved, the renegotiation of certain tariff positions, and the liberalization of commerce within the huge trading area resulting from this operation, can and must offer scope for concrete action in the interests of developing countries generally. The need for such action has also to be viewed against the possibility of new relationships being created between the enlarged Community and other countries in Europe and elsewhere.

8. Furthermore, in reviewing past trends the Group noted that in contrast to the slow growth in exports of foodstuffs and agricultural raw materials from developing countries to the markets of the industrialized regions, there has been over the past decade a rapid increase in exports to industrialized markets of

various processed products and light manufactured goods.<sup>1</sup> Admittedly, not all developing countries have shared equally in this expansion, but it seems evident that the industrialized countries can provide promising outlets for such exports from developing countries. The Group believes that, to help sustain this dynamic trend in exports of manufactured goods and to extend it to an even wider range of products, continuous efforts are required on the part of both developed and developing countries.

9. The basic condition for the further development of this trend remains the provision of improved access into the markets of developed countries, unimpeded by restrictive tariffs and by non-tariff barriers of various kinds. In this connexion, the Group would refer to the Commitment undertaken by developed contracting parties to accord high priority to the reduction and elimination of such barriers as they affect products currently or potentially of particular export interest to developing countries. The Group wishes, in addition, to stress the particular importance it attaches to finding means of promoting exports of new and "specialty" items from developing countries. As further indicated in the present report, developed countries can do much to stimulate such trade, for instance through active import promotion and provision of assistance at the technical level, both directly to interested developing countries or through the International Trade Centre UNCTAD/GATT and international agencies dealing with industrialization and marketing.

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<sup>1</sup>The process towards diversification in developing countries is reflected in the increasing share of "miscellaneous" manufactures in their exports. As seen from the GATT report, International Trade 1970 (table 10), the share of such manufactures (which excludes iron, steel, non-ferrous metals, chemicals, engineering products and transport equipment) in total exports from these countries increased from 8.1 per cent in 1963 to almost 12 per cent in 1969. The value of these exports in the period increased from 2.56 to 5.91 billion dollars.

10. Finally, the Group would wish to stress that the normal routine of discussion and negotiation should always be responsive to changes in the international situation. On the basis of its consultations, the Group also considers that, apart from the removal of trade barriers, a more active effort is required on the part of developed countries in helping developing countries in their search for new market outlets.

#### I. FOLLOW-UP ACTION ON EARLIER RECOMMENDATIONS

11. This section of the report summarizes action taken by developed countries, with which consultations were held in March 1972, in pursuance of the recommendations set out in the Report of the Group's predecessors (L/3610). Further details are included in the country notes annexed to the report, which also contain certain suggestions and recommendations which the Group has addressed to individual countries. Insofar as positive responses have not yet been given to the recommendations made last year, the Group wishes to stress that these recommendations retain their full validity although they have in most cases not been repeated in the present report and the Group urges that they be given continuous and serious consideration.

12. In the context of its review of follow-up action on the recommendations<sup>1</sup> the Group has thought it useful, in some instances, to add certain observations and suggestions.

#### Action recommended in regard to temporary import surcharges (L/3610, paragraphs 13-20)

13. The Group noted with satisfaction the measures that had been taken since the recommendation was made. The temporary import surcharge, introduced by the United States on 16 August 1971, was terminated as of 20 December 1971 for merchandise entering the country on or after that date. With respect to the Danish surcharge, introduced on 21 October 1971, all goods under the system of preferences implemented by Denmark for developing countries as from 1 January 1972, are exempted from the surcharge.

#### Adjustments to solve the international monetary and commercial crisis (L/3610, paragraph 17)

14. The Group wishes to state its full agreement with the view that developing countries should participate in all decisions relating to international action in the monetary and commercial fields.

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<sup>1</sup>In what follows, the full text of those recommendations has not been reproduced. References are made to the relevant paragraphs of L/3610.

Implementation of Generalized System of Preferences (L/3610, paragraph 17)

15. The Group welcomes action taken by a number of developed countries which have notified the entry into operation of their preferential arrangements for developing countries as follows:

EEC member States	1 July 1971	New Zealand	1 January 1972
Japan	1 August 1971	Sweden	1 January 1972
Norway	1 October 1971	United Kingdom	1 January 1972
Denmark	1 January 1972	Czechoslovakia	28 February 1972
Finland	1 January 1972	Switzerland	1 March 1972
Ireland	1 January 1972	Austria	1 April 1972

16. The delegation of Canada informed the Group that a bill for implementing the country's scheme of preferences would shortly be introduced in Parliament. The United States delegation explained that the Secretary of State in December 1971 had indicated the United States resolve to submit the necessary legislation to Congress for the introduction of the scheme.

17. The Group strongly urges these two countries to implement their preference schemes at the earliest possible date and that any delay by a donor country in implementing its preference scheme should not affect continued implementation by other donor countries.

18. The Australian scheme of preferences, in operation since 1966, has been progressively expanded by the addition of further products. The Group was informed by the Australian delegation that the scheme is still not being fully utilized and considers that further efforts are needed by developing countries to ensure that full advantage is taken of the scheme.

19. In regard to developed countries which have implemented preferential arrangements on the basis of tariff quotas, the Group recommends that every effort should be made to accelerate the enlargement of quotas and, where possible, eliminate them.

Quantitative restrictions

(a) Industrial products - elimination of restrictions at least for products covered by the Generalized System of Preferences (L/3610, paragraph 24)

20. As far as the Group could ascertain, no action which would benefit developing countries under the Generalized System of Preferences has been taken on this recommendation.

21. The Group reaffirms that the removal of the remaining quantitative restrictions applied to industrial products of interest to developing countries (other than textiles which are a special position), at least for products covered by the Generalized System of Preferences, should receive priority attention.

(b) Agricultural products - possibilities for limited action pending multilateral negotiations (L/3610, paragraph 27)

22. Some interest was expressed in this recommendation by some delegations. The Group noted a recent agreement concluded between EEC and Argentina which, among other things, concerns imports of meat into the EEC.

23. While the Group believes that the negotiations envisaged to begin in 1973 will provide new opportunities for concerted action on agricultural products, these negotiations will inevitably be a lengthy process. It is therefore the more important to explore fully current possibilities for limited action. Indeed, such action might facilitate the working out of more far-reaching solutions later on.

(c) Recommendation addressed to countries maintaining an exceptionally large number of restrictions on non-tropical fruits, vegetables, flowers etc (L/3610, paragraph 29)

24. The Group noted that since the recommendation was made some limited action towards relaxation of restrictions on these items has been taken (for details see Annex).

25. In connexion with these products, the Group wishes to draw attention to the potentialities for expanded outlets in the Western European market. It should be possible for producers in many developing countries to avail themselves of the opportunities that exist, for example, by making better use of open periods in regard to products under seasonal restriction. Cut flowers appear to offer such prospects. The Group noted with satisfaction that certain developed countries which continue to restrict these imports have indicated that they would be ready to examine, with developing countries, the specific problems these countries face in securing better market access. The Group is of the opinion that in moves towards complete liberalization, progress could be made through proper adjustment of open periods to fit production seasons and delivery conditions in developing countries. It would, however, be important to see to it that any efforts to make use of restriction-free periods for cut flowers and other products in this category are not thwarted by the existence of other obstacles to trade.

(d) Elimination of discriminatory country classification (L/3610, paragraph 32)

26. The Group noted that certain restrictions of limited interest to developing countries applied by France on a discriminatory basis had been eliminated and that certain items restricted in the Federal Republic of Germany were likely to be liberalized by the end of 1972.

27. The Group was informed by both delegations that in practice there was virtually no discrimination and that every effort was made to accommodate all legitimate interests of developing country suppliers in regard to licences or quota allocations. It noted the assurances of the Federal Republic of Germany that it would make every effort to find a solution to this problem at an early date.

28. The Group, however, wishes to record its disappointment that it has not been possible to do away with this practice which can only be characterized as anomalous and contrary to the whole GATT philosophy vis-à-vis developing countries.

29. The Group reiterates the recommendation that these practices be eliminated forthwith.

(e) Improved administration of quantitative restrictions: efforts by developing countries to acquaint themselves with regulations and practices  
(L/3610, paragraph 33)

30. The Group was informed of a few instances where import quotas had been increased, or in some cases eliminated, or restrictions now applied only seasonally (as recommended by the Group on Resident Restrictions in October 1970 -- see COM.TD/79, paragraph 10). In this respect, reference is made to the notes on Austria, Denmark and Japan in the Annex.

31. The Group is of the firm opinion that substantial progress is possible in creating better conditions of access pending complete liberalization. Several countries with which the Group consulted expressed positive interest in exploring further possibilities in this direction. There is increasing awareness that developing countries need help of a technical nature to enable them to understand and comply with modalities of import restrictions, and indeed also other administrative measures such as licensing procedures, health regulations, standards requirements, customs valuation methods etc. It would, however, be necessary for developing countries to initiate such action by providing lists of products with specifications and a description of the problem facing them in each particular case. On the basis of its consultations the Group noted with satisfaction that developed countries are positively disposed towards providing assistance of this kind and that they would give sympathetic consideration to representations made by developing countries.

Other non-tariff barriers -- purchasing policy employed by State monopolies (L/3610, paragraph 35)

32. The Group was informed that the Canadian authorities were taking action to persuade Provincial Liquor Boards to facilitate the acceptance of listings of alcoholic products from developing countries on a priority basis. Sweden has provided information on the operation of its wine and spirits monopoly and details are recorded in the Annex.

33. In the course of its consultations, the Group has drawn the attention of some developed countries to the desirability of State monopolies diversifying their sources of supply so that developing countries may share in the overall growth of imports. The Group commends the proposal made in the Group on Residual Restrictions in January 1972 (COM.TD/85, paragraph 10) that developed countries should be invited to provide details of the practical operation of State-trading transactions for the information of developing countries which are suppliers of the products concerned.

Tropical Products - reduction or elimination of import duties and internal charges (L/3610, paragraph 37)

34. The Group noted certain positive action. For example, France has suspended the selective tax on coffee and Sweden has eliminated the selective tax on roasted coffee. Austria has included bananas in its scheme of preferences for developing countries free of duty and has improved its offer on cocoa and tea. Further details are listed in the Annex.

35. In the view of the Group, tropical products, because of their significance for the trade of a large number of developing countries, should be given special attention in the trade negotiations due to begin next year. In order, however, not to overburden the negotiations with matters on which it would be possible to move forward earlier, the Group urges developed countries to consider every possibility open to them to eliminate or reduce, as early as possible, revenue duties and internal charges on these products.

Solution to the problem of cocoa (L/3610, paragraph 38)

36. Consultations concerning the negotiation of an International Cocoa Agreement were held under the auspices of UNCTAD in March 1972. The matter was further discussed during UNCTAD III in April-May when a resolution calling for the conclusion of an International Cocoa Agreement by the end of 1972 was adopted.

37. The Group expresses the hope that, after many years of frustration, an arrangement satisfactory to both producers and consumers can be evolved before the end of 1972.

Vegetable oils - standstill and duty reduction (L/3610, paragraph 45)

38. Although the standstill proposal has not been formally adopted, governments have in practice abided by the recommendation.

39. The Group noted that Japan has reduced import duties on certain fixed vegetable oils from 1 April 1972.

40. Since the recommendation of last year, and the discussion of this matter at the twenty-seventh GATT session and again in the Committee on Trade and Development in early 1972, the future development of international economic relations has taken on a new aspect with the prospect of a new round of multilateral negotiations. The Group considers that future action on vegetable oils would best be taken in the context of these negotiations. Section II of this report sets out certain preliminary ideas in this regard.

Tariff escalation in regard to coffee, cocoa and tea products  
(L/3610, paragraph 47)

41. The Group noted some action in response to this recommendation. Sweden, for example, has included certain cocoa products in its scheme of preferences and duty reductions by Japan have had the effect of reducing somewhat the duty escalation on coffee and black tea.

42. In the course of its consultations, the Group noted that in some schemes of preferences the inclusion of these products is on a limited scale only. Though tropical products should figure prominently in the forthcoming trade negotiations, the Group sees every reason for early action to be taken to include more of these items in the preferential schemes for developing countries thereby reducing or eliminating the tariff escalation sometimes facing these products in their raw, semi-processed and processed forms.

Study of trade problems in textiles (L/3610, paragraph 54)

43. From the consultations held by the Group with developed countries, it appeared that there was a large measure of support for a study of problems in world trade in textiles. Such an examination might initially attempt to establish the basic elements and facts which would permit an assessment of developments and an identification of problems. In the light of these findings it might be possible to move forward towards solutions through concerted endeavours.

44. Some emphasis was placed by the Group's predecessors on the need to create conditions for a more rapid expansion of exports of competitive textile products manufactured in developing countries. The Group continues to believe that action in this direction should be given early attention.

Studies of trade problems of developing countries (L/3610, paragraph 57)

45. Following the recent declarations on international economic relations and discussions of the rôle of developing countries in the forthcoming trade negotiations, work on country studies recommended last year is being pursued in the secretariat with the intention of providing interested developing countries with documentation which could be of direct assistance to them in seeking solutions for tariff and non-tariff barrier problems. The Group urges that the provision of technical help to developing countries so as to put them in as favourable a position as possible in the negotiations should be kept constantly in mind by the secretariat.

Summing-up of review of recommendations

46. The Group believes that action along the following lines would result in progress towards the implementation of the recommendations under review in this section:

- (i) the Governments of Canada and the United States are urged to expedite action towards implementation of their GSP schemes;
- (ii) the Governments of France and Federal Republic of Germany are urged to abolish the practice of discriminatory country classification;
- (iii) there is scope for improvement of the GSP schemes generally and especially by means of the inclusion of further tropical products;
- (iv) import restrictions should be eliminated in particular in respect of all products included in the Generalized System of Preferences;
- (v) positive measures (as indicated in the report) should be taken, as appropriate in consultation with supplying developing countries, to enable these countries to avail themselves of the expanding markets in industrialized countries for such items as certain fruits, vegetables, flowers etc.;
- (vi) a background study of the world textile market might be useful.

II. ACTION TAKEN ON ENLARGED MANDATE OF THE GROUP

Implementation of Part IV

47. The Group was requested to see how the implementation of Part IV of GATT could be facilitated. In the light of its consultations, the Group wishes to offer the following comments and recommendations.

48. While the present procedures for the annual reviews may be considered on the whole satisfactory, the reporting by governments is often not sufficiently comprehensive. In the Group's view it should be possible to obtain more details and explanations of the background and reasons why certain trade barriers identified in earlier discussions continue to be applied.

49. It appears to the Group that the developing countries themselves could play a more active rôle than hitherto in the review process. Whenever problems have not been solved by means of bilateral consultations or whenever this type of

action may not be practical, developing countries should be encouraged to present to the Committee on Trade and Development, through the secretariat, notifications setting out trade problems they may be facing. Such notifications, in the preparation of which secretariat assistance could be sought, should provide full background information, set out the specific nature of the problem and give an indication of the type of solution considered desirable. On this basis consultations should be arranged between interested countries within the framework of the Committee. Attention may be drawn to the possibilities, in appropriate cases, for developing countries to have recourse to the consultation possibilities provided for in Article XXXVII:2, which have so far not been used. It is recalled that in order to facilitate initiation of such consultations, detailed procedures were adopted by the Committee on Trade and Development at its sixteenth session (COM.TD/74, BISD Eighteenth Supplement).

50. The Group considers that the annual reviews, which the Committee on Trade and Development is required to undertake, could be made more meaningful if developed contracting parties were to report not only on whatever positive measures they have taken towards implementation of their commitments under Part IV but also state reasons, such as economic, social or legal, why they have found it difficult to reduce or remove barriers on products of current or potential export interest to developing countries to which attention has been drawn in GATT discussions. The commitment to accord high priority to liberalization of such products should also be kept in mind. In the course of its reviews, the Committee on Trade and Development might explore possibilities for dealing with existing barriers through individual or joint action.

51. The Group noted with interest the arrangements made in certain developed countries for the purpose of ensuring that developments of relevance to the implementation of, and compliance with, Part IV are the subject of continuous review by the competent authorities. Such machinery ranged from inter-departmental committees for prior review of new legislative or other action contemplated, to inter-ministerial bodies concerned with assistance to developing countries.

52. The Group recommends that governments in developed countries give special attention to measures aiming at concentration and co-ordination of internal procedures so as to ensure (a) continuous review of implementation of commitments under Part IV in relation to existing legislation and regulations and (b) provision for prior scrutiny of implications of new legislation and other measures contemplated. The Group is of the opinion that the establishment of permanent machinery for this purpose in government administrations would help to ensure that the interests of developing countries are fully and positively taken into account.

#### Group on Residual Restrictions

53. The Committee on Trade and Development in February 1972 gave preliminary consideration to a possible re-orientation of the activities of the Group on Residual Restrictions. In this connexion a number of suggestions were put forward (COM.TD/84, paragraph 34) and it was suggested that the Chairman of the Group and the Group of Three might consult with interested delegations and the secretariat on an informal basis.

54. These consultations have brought out that though progress within the Group on Residual Restrictions has so far been slow and modest, the Group has served a useful purpose. It would, however, be necessary to give new impetus to the activity of the Group by attempting a different and more direct approach.

55. Accordingly, the Group of Three recommends that,

(a) so as to enable an in-depth examination, the Group on Residual Restrictions should, at each future meeting, concentrate on a limited number of items under import restriction in developed countries and found to be of significant trade interest to a number of developing countries;

(b) the examination in the Group of possibilities for the relaxation or elimination of restrictions should be undertaken on the basis of comprehensive background material provided by the secretariat and made available sufficiently in time for delegations to prepare themselves for the discussion;

(c) developed countries concerned with a particular item should provide for the presence at the meetings of experts on the products singled out for discussion. Developing countries should also be adequately represented in the Group and should be in a position to present in a well documented fashion the practical importance for their trade of the relaxation or removal of restrictions;

(d) the Group should address itself to an adequate analysis and discussion of problems impeding the removal of restrictions on the individual products that are the object of examination and should draw the attention of the Committee on Trade and Development to any suggestions for dealing with the problems that touch on matters on which it may not be in a position to arrive at any conclusions itself;

(e) in addition it should be understood that if as a result of discussion in the Group a developing country finds that it has not obtained satisfaction, it would remain open to it to request the Committee on Trade and Development to take appropriate action.

56. The Group of Three also recommends that, in order to enable progress to be made in the Group on Residual Restrictions, developed contracting parties should give prompt and serious consideration to the views and recommendations made so that, at the Group's succeeding meeting progress towards liberalization on items already examined could be reviewed. The Group further considers that work on residual restrictions should be given a particular impetus in the context of the multilateral trade negotiations.

Vegetable oils and oilseeds

57. Because of the prominent place these products occupy in international trade and the complex nature of the problems involved, the Group in section I of this report suggested that constructive action could best be taken within the wider framework of multilateral trade negotiations. As much preparatory work as possible should, however, be started at an early date and to this end the Group of Three would see value in the establishment of a small group composed of representatives of both developed and developing countries. This group should examine and report to the appropriate GATT body on all issues bearing on problems in trade in vegetable oils and oilseeds. Due account should be taken of work in this field in other competent international agencies.

58. Pending the launching of the general trade negotiations it is important that there be no deterioration in the price and market situation, in particular as regards vegetable oilseeds and oils exported by developing countries. The Group urges contracting parties to have full regard to the following recommendations, adopted by the FAO Intergovernmental Group on Oilseeds, Oils and Fats in February 1972:

- (i) countries giving any form of export payments having the effect of subsidies or restitutions should avoid any action which might under-cut prevailing international prices;
- (ii) countries engaging in concessional trade and/or food aid transactions should take special care to avoid any adverse effects on the commercial trade of other exporting countries;
- (iii) importing countries should consider the possibility of, at least temporarily, reducing duties and/or increasing import quotas for those oilseeds and oils of special interest to developing countries; in addition, countries should consider measures to encourage the import from developing countries of oils and oilcakes so as to promote the industrial development of developing countries;
- (iv) consideration should be given by appropriate international organizations to the inclusion of oilseeds and oils originating in developing exporting countries in food aid shipments.

### III. FURTHER MATTERS DISCUSSED BY THE GROUP

59. In addition to examining follow-up action on earlier recommendations and matters specifically referred to it, the Group took the initiative to discuss certain points which appeared to be relevant to its terms of reference.

#### Promotion of imports of specialty items into developed country markets and technical assistance to developing countries

60. As mentioned in the opening section of this Report, the efforts of developing countries to diversify production are beginning to be increasingly reflected in their foreign trade pattern. New export items often have their origin in local processing methods and are manufactured out of domestic materials using processes peculiar to a certain country. Such products may take the form, for example, of processed foodstuffs with particular characteristics, certain beverages, or more sophisticated manufactures and are likely to find markets in high-income countries where demand is becoming more diversified in response to changes in consumer tastes etc. While items in this category may produce foreign exchange earnings of some significance to the exporting country, their share in the market in most cases remains small and there is little likelihood that such imports would have disrupting effects on markets in developed countries.

61. The Group is of the view that here is a field where developed countries could make an important contribution to stimulate interest among their own importers. It noted with appreciation certain practical steps already taken in some developed countries in this direction. For example, mention may be made of the Netherlands "Centre for the Promotion of Imports from Developing Countries". Denmark has invited representatives from developing countries to study the functioning of the Danish market and has given guidance on marketing procedures. The Austrian Trade Promotion Office also helps developing countries in their efforts to expand imports into Austria. The Group is of the opinion that developed countries might extend the activity of providing assistance by sponsoring trade missions from developing countries and giving active support in the practical arrangements for such missions. Developing countries should not hesitate to use the facilities which the Group is confident would be made available.

62. Developing countries might, on their part, pay special attention to the promotion of the image of such specialty products by, for example, the identification of particular brands, by the introduction of "appellation contrôlée" etc. A brand name provides a means for consumers to identify the product and a platform for the exporting country to develop a distinctive image around its particular export item. Through this technique, it is often possible to gain a premium price and win consumer brand loyalty, which is important for stabilizing sales at the wholesale as well as the retail level. Alternatively, instead of promoting a single brand, individual developing countries can often promote themselves as a source of particular products on a national generic basis. The products are sold under the packers' various brands, but bear a national-origin identification. The promotion of tea and coffee by certain developing countries are two examples where this

technique has been successful. Aside from brand or national identification efforts, there is scope - and necessity - for co-operative promotion of products by a number of developing countries working together to boost or stabilize consumption of their commodity in the face of competition from other products.

63. However, specialty products could run into insurmountable trade barriers under existing tariff or import restrictions if they are not given distinctive treatment and the Group wishes to stress that a prerequisite for successful marketing of these products is that when they are seeking outlets in developed countries, particular attention should be paid to ensuring that access to markets will not be hampered by traditional tariff classifications.

64. The Group believes that the liberal treatment of products having the characteristics mentioned would be a suitable way of giving effect to commitments designed to provide greater scope for the development of imports from developing countries. Such action would also be consistent with an endeavour to enable developing countries to reap the benefits of an international division of labour in fields where they are competitive. Where difficulties are encountered, they should be pursued with all possible vigour in GATT and other competent agencies and through direct contacts with administrations of developed countries.

65. The Group therefore recommends that when developing countries seek export outlets for products made of local ingredients or raw materials or manufactured according to special processes peculiar to the exporting country, such items should be assured easy access to the markets of developed contracting parties. Such entry would, however, depend on the producing country providing specifications and technical descriptions to identify the item as a "specialty" or typical developing country product.

66. While convinced that the removal of obstacles to trade should remain the principal objective, the Group believes that there is considerable scope for co-operation and assistance by developed countries aimed at facilitating entry into their markets by developing countries.

67. Delegations of some of the developed countries consulted by the Group confirmed that it was often possible through a pragmatic approach, despite the existence of measures restricting imports, to introduce products of developing countries into their markets. In some instances active help of a technical nature had been given to interested developing countries to guide them in adapting their exports so as to comply with regulations and standards applied in the importing country.

68. The Group is aware of the important rôle of the International Trade Centre UNCTAD/GATT in this field and of the contribution made by certain other international agencies. There seems, however, also to be room for broadening the scope of assistance of a technical nature by developed to developing countries on an individual basis.

69. The Group recommends that administrations in developed countries provide practical assistance to developing countries, for instance, in connexion with problems arising in the application of health regulations and standards, packing and labelling requirements, customs valuation and procedures, rules of origin when applicable, etc.

#### Trade policy developments

70. Since the work of the Group's predecessors was examined in GATT there have been major developments in the international trade policy field. On 22 January 1972, the Governments of Denmark, Ireland, Norway and the United Kingdom signed the Treaty concerning accession to the European Economic Community. Accession of these countries, the first of these developments to take effect, is now dependent upon the completion of the necessary processes of ratification. Furthermore negotiations are proceeding between the Community and a number of other European countries. In the longer perspective, there is the prospect of the launching of comprehensive multilateral trade negotiations in 1973.

71. The enlargement of the EEC is certain to have implications for the trade of developing countries and it is necessary that in the examination of these arrangements the position of developing countries should be given full consideration. Apart from duty increases in acceding countries, for instance on certain tropical products, a number of developing countries will face problems arising out of modifications in the schemes of preferences of acceding donor countries and the disappearance of certain existing preferences. A working party has been established to examine, in the light of relevant GATT provisions, the legal instruments establishing the modalities for accession. The Group considers it essential that developing countries be given adequate assistance on technical aspects in the examination of the Treaty of Accession and in the negotiations for compensation and expresses the hope that the special treatment in favour of developing countries to which developed contracting parties have committed themselves will be kept in mind in this context.

72. Similar considerations would prevail in the event of new arrangements resulting from the negotiations between the Community and other European countries.

73. The Group considered perspectives for a new round of comprehensive trade negotiations from the developing countries' point of view. In the light of the debate in the GATT Council on 7 March 1972 on the Declarations on International Economic Relations, and the views expressed in the Agriculture and Industrial Committees, the Group believes that there will be genuine opportunities in the forthcoming negotiations for developing countries to secure effective benefits for their trade. It would, however, be for developed countries to mobilize the political will necessary to accommodate the trade interests of developing countries and find solutions to the problems that have been identified.

74. In the Group's view it is important that developing countries should have a clear picture of the ways and means open to them to participate effectively in the negotiations and be in a position to judge the hazards and advantages involved. To this end active participation by developing countries should be encouraged when ground-rules are discussed and techniques and modalities are being worked out. It may be assumed that developing countries will need assistance from the secretariat both in this context and during the negotiations themselves so as to ensure that they are adequately prepared and obtain maximum return from their participation. In the course of the consultations, delegations of developed countries gave their support to the idea advanced by the Group that the secretariat should be provided with the material possibilities necessary for the discharge of these functions. The Group would emphasize the importance it attaches to this proposal.

ANNEX

In the consultations which the Group held with delegations of the developed countries listed below, information was furnished by them on follow-up action on the recommendations contained in L/3610. The Group also took up a number of other matters relevant to its mandate. The main points brought out in these discussions are summarized in the country notes, together with certain remarks and suggestions which the Group wishes to address to delegations for consideration. It should be emphasized that, to the extent that the recommendations made to particular countries in L/3610 have not been implemented, they remain valid and should continue to receive serious consideration.

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## AUSTRALIA

### QUANTITATIVE RESTRICTIONS

There were no specific recommendations under this heading. The Australian delegation confirmed that, as anticipated in L/3610, aluminium ingots were liberalized on 31 December 1971.

### OTHER NON-TARIFF BARRIERS

The Group was informed that valuation practices which were of concern to some developing countries were under review by the Australian authorities.

With regard to the blending percentage arrangements for unmanufactured tobacco, it was noted that developing countries had increased their share of the market in recent years. The Australian delegation stated that there was no reason why this share could not be further increased provided developing countries produced and had on offer the flue-cured, Virginia-type leaf demanded by Australian manufacturers.

### TROPICAL PRODUCTS

There was no change in the position as outlined in L/3610. The Group noted that primage duties continued to be imposed on certain products of interest to developing countries such as chocolate, ground pepper and mustard flour and considers that efforts should be made to remove such duties on these products.

### AUSTRALIAN SCHEME OF PREFERENCES

The Group noted that Australia had included some additional items in its preferential scheme for developing countries since document L/3610 was issued. However, agricultural products including tropical products in their semi-processed and processed forms of interest to developing countries were generally excluded from the arrangement whereas most other country schemes did include certain agricultural products in their listings.

The Group wishes to draw the attention of developing countries to the fact that the Australian scheme of preferences offers possibilities for the marketing of many products which have not yet been fully utilized.

AUSTRIA

QUANTITATIVE RESTRICTIONS

The Group noted that Austria had not found it possible so far to liberalize imports of penicillin, tyrothricin and medicaments as recommended in L/3610.

The Group noted that whereas imports of meat extracts and meat juices of tariff items ex 16.03A and ex 16.03B had been liberalized, restrictions continued to be applied to a number of agricultural products of interest to developing countries including certain processed food items such as processed and prepared meat products (BTN 16.01 and 16.02) and apple juice and grape juice (ex 20.07). The Group urges that Austria consider early liberalization of trade in products falling under these headings and that pending such action, administer quotas in a manner which would facilitate efforts of developing countries to secure a larger share of the market.

The Group welcomed the action taken by Austria (as recorded in the report of the Group on Residual Restrictions - COM.TD/85 dated 21 March 1972) whereby in actual practice, restrictions on the import of potatoes other than seed potatoes which had been liberalized and fresh apples, were implemented on a seasonal basis.

OTHER NON-TARIFF BARRIERS

There were no recommendations under this heading in L/3610.

TROPICAL PRODUCTS

The Group welcomed action taken by Austria to include bananas in its scheme of preferences and to improve its offer on cocoa and tea. However, the Group noted that the GSP duty rates on a number of tropical products, including spices, continued to be comparatively high and hopes that Austria would pursue efforts to further reduce duties on these items and to include other items such as chocolate and coffee extracts in its preferential arrangement.

OTHER MATTERS

The Group welcomed the action taken by Austria, as notified to contracting parties in document L/3699, providing for entry duty free or at reduced rates for hand-made products originating in developing countries.

The Group noted with interest that the Austrian Trade Promotion Offices overseas had been instructed to provide assistance to developing countries in their efforts to expand exports to Austria.

BENELUX

QUANTITATIVE RESTRICTIONS

The Group was informed that the problem of import restrictions applied by Belgium/Luxembourg on imports from Yugoslavia of item ex 79.03, wrought plates, sheets and strips of zinc and listed in L/3610, had been resolved.

The Group noted that as a result of previous liberalization measures, restrictions in the agricultural sector are now limited to seasonal restrictions in Belgium/Luxembourg on a few items, including fresh roses and carnations, early potatoes, tomatoes and fresh table grapes. At the present time the developing countries have an extremely small share of the market in these items. The Group hopes that the Belgium/Luxembourg authorities would consider the provision of such facilities as would help the developing countries to increase their trade in these products, particularly during the periods when seasonal restrictions do not apply.

TROPICAL PRODUCTS

Remarks concerning tropical products are included in the note on the EEC.

CANADA

QUANTITATIVE RESTRICTIONS

There were no recommendations under this heading in L/3610. With regard to recent Article XIX action to limit imports of lower-priced shirts, the Group expresses the hope that the Canadian Government will find it possible to relax these restrictions at the earliest possible opportunity.

OTHER NON-TARIFF BARRIERS

The Group noted that the Canadian Federal Government was acting on the recommendation that every effort be made to persuade the Provincial Liquor Boards to facilitate the acceptance of listings of alcoholic products from developing countries.

With regard to the recommendation in L/3610 that the Canadian valuation system should be administered in such a way as not to discriminate against developing countries, the Group was informed that the Canadian authorities believed there was no such discrimination. Some of the notifications on this subject were related to safeguard regulations which have not been in force since 1969 when separate anti-dumping legislation was introduced. The valuation system as such was currently under review.

TROPICAL PRODUCTS

The Group welcomed the inclusion of certain vegetable oils of interest to developing countries in the Canadian scheme of preferences. As the Canadian scheme has not yet been introduced, the Group expresses the hope that the Canadian authorities would find it possible to act on the recommendation contained in L/3610 that cocoa products and chocolate be included in the preferential arrangements.

DENMARK

QUANTITATIVE RESTRICTIONS

The Group noted the action taken by Denmark in liberalizing imports of the following products as from 1 January 1972:

- ex 07.01 Spring cabbage, fresh or chilled
- ex 07.03 Spring cabbage, provisionally preserved
- ex 08.08 Raspberries, fresh
- ex 08.10 Raspberries, frozen, not containing added sugar
- ex 08.11 Raspberries and red and white currants provisionally preserved
- ex 20.03 Raspberries, frozen, containing added sugar
- ex 20.06 Raspberries, otherwise prepared or preserved

Quotas imposed on a certain number of items imported from the Republic of Korea (and Japan) were liberalized on the same date:

- ex 16.04 Prepared and preserved fish, including caviar substitutes but excluding caviar
- ex 16.05 Crustaceans and molluscs, prepared or preserved, except crabs and oysters
- 40.10 Transmission, conveyor or elevator belts or belting, of vulcanized rubber
- 59.16 Transmission, conveyor or elevator belts or belting of textile material

In regard to restrictions on certain items (natural honey, edible tallow etc., sausages and the like and other prepared and preserved meat or meat offal), the Group believes that the fact that Denmark is proceeding towards entry into the Community should not be allowed to delay action to meet the needs of developing countries. Steps along the lines recommended by the Group in 1971 could be adopted forthwith, especially for products where the EEC system is more liberal than that applied in Denmark.

TROPICAL PRODUCTS

The Group noted that for certain tropical products, the common external tariff of the Community was higher than the Danish tariff. The Group urges that both Denmark and the member States of the Community should use their best endeavours to ensure continuing access to the Danish market for all developing countries exporting tropical products, including products in their semi-processed and processed forms, at the lowest possible rate of duty.

The Group also noted that Denmark had not so far implemented the recommendation in L/3610 that chocolate and other preparations containing cocoa be included in the Danish scheme of preferences for developing countries. The Group urges Denmark to give favourable consideration to this recommendation.

EUROPEAN ECONOMIC COMMUNITY

QUANTITATIVE RESTRICTIONS

The Group believes that the quotas on certain jute goods granted to India under an export restraint agreement between India and the EEC had been allocated among member States in a manner which did not correspond to the actual pattern of imports into the different member States prior to the conclusion of the restraint agreement. The Group fears that a continuation of the present situation regarding jute quotas could result in a loss of at least a part of the jute market to substitute products. The Group, therefore, expresses the hope that action would be taken to resolve this problem.

OTHER NON-TARIFF BARRIERS

The Group noted with interest that, in response to a general recommendation in L/3610 concerning the possibilities of limited action on temperate zone agricultural products pending multilateral negotiations, the EEC was continuing to explore the prospects for such action. Agreement, for example, was concluded with Argentina in November 1971, which, among other things, concerns arrangements for certain types of meat.

TROPICAL PRODUCTS

The Group noted that the Community had not found it possible to include additional tropical products in its scheme of preferences for 1972. The Group believes that there is scope for the expansion of the Community scheme to encompass more tropical products and therefore urges the Community to further consider these possibilities along the lines recommended in L/3610.

The Group also expresses the hope that in moves towards tax harmonization in the Community, selective taxes on tropical products will be eliminated.

FEDERAL REPUBLIC OF GERMANY

QUANTITATIVE RESTRICTIONS

The Group was informed that of the twenty-one items subject to discriminatory country classification treatment, lucerne, dried and ground (ex 12.10) and casein (ex 35.01) are likely to be liberalized by the end of 1972. In addition, it is planned to liberalize meat and edible offals of sheep (ex 02.01 and ex 02.06).

The Group appreciated the undertaking by the authorities of the Federal Republic that, in the context of the future development of trade policy, every effort will be made to find an early solution to the question of discriminatory country classification. According to the German delegation the problem of discrimination is one of modest proportions. This being so, the Group urges early action to remove what it considers an anomalous arrangement.

TROPICAL PRODUCTS

Certain remarks concerning import duties affecting tropical products are made in the note relating to the EEC.

The Group noted that the selective tax on solid coffee extracts (non-decaffeinated) had been reduced from DM 13 to DM 10.80 per kg. in December 1971.

The Group also noted that high taxes of this kind continued to be maintained on coffee and tea, two products of major export interest to many developing countries. It believes that there are sound reasons for the removal of such selective taxes. The opportunity, for example, afforded by lower consumer prices could stimulate developing country exporters and the trade to undertake more intensive sales promotion campaigns to expand consumption. The process of tax harmonization in the Community would seem to provide a suitable opportunity for the removal of such selective taxes.

FRANCE

QUANTITATIVE RESTRICTIONS

The Group noted that restrictions affecting zone II countries had been eliminated in respect of ex 01.01 - horses for slaughter (by the elimination of restrictions generally on this product). Restrictions under BTN 22.09 ex V "other" spirits etc. were also scheduled to be eliminated. While welcoming such action, the Group expresses its disappointment that France has not so far found it possible to undertake import liberalization on a larger scale on products of interest to developing countries. The Group also wishes to point to the desirability of France taking action to ensure that the practice of discriminatory country classification should be eliminated as soon as possible.

TROPICAL PRODUCTS

Remarks concerning import duties affecting tropical products are included in the note on the EEC.

The Group appreciated the action taken by France in 1971 whereby the selective tax on coffee was suspended. The Group expresses the hope that France will be able to take further action in this direction by suspending or eliminating selective taxes on other tropical products such as cocoa and cocoa products, tea, etc.

ITALY

QUANTITATIVE RESTRICTIONS

The Group was informed by the Italian delegation that the problem of the bilateral quota maintained against one country on ethyl acetate (BTN 29.14) had been resolved through a private arrangement which had been recognized by the authorities.

With regard to import restrictions on dates in packages of more than 500 grammes, the Group noted that certain developing countries benefited from free admission even in respect of packages up to 15 or 35 kgs. The Group urges that the recommendation in L/3610 concerning liberalization of trade in this item be implemented. Similar action could be taken in respect of figs and dried grapes in packages of more than 500 grammes. The Group also suggests that date, dried fig and raisin paste etc. (BTN 20.05) in small containers intended for final consumption be liberalized.

TROPICAL PRODUCTS

Remarks concerning import duties affecting tropical products are included in the note on the EEC.

The Group noted that Italy maintains high selective taxes on a number of tropical products including coffee and coffee products, cocoa and cocoa products, bananas and certain vegetable oils. The Group hopes that the authorities will deal with these matters, which are of concern to developing countries, in the context of the overall tax reform to be implemented in Italy. To the extent that these selective taxes are not eliminated under the tax reform, a further opportunity to remove such taxes will be provided by the process of tax harmonization in the Community.

As recommended in L/3610, and for the same reasons, the Group also urges that the quantitative restrictions affecting imports of bananas be eliminated.

JAPAN

QUANTITATIVE RESTRICTIONS

The Group welcomes the following liberalization action taken by Japan:

Effective as of 1 April 1972

02.06-1	Ham and bacon
02.06-2	Meat and edible offals of bovine animals and pigs, salted, in brine, dried or smoked
17.01-1	Rock candy, cube sugar, loaf sugar and similar sugar, of beet sugar and cane sugar
17.01-2(2)	Other beet sugar and cane sugar
20.02-2-(1)	Tomato purée and tomato paste
23.07-2	Compound feeds
25.03	Sulphur
27.10-1.(3)	Gas oils
27.10-1.(4)	Heavy fuel oils and raw oils
27.10-1-(6)	Other petroleum oils and oils obtained from bituminous materials

Effective as of 1 May 1972

ex 03.01-2-(2)	Hard roes of herring, fresh, chilled, or frozen
ex 03.02-1	Hard roes of herring, salted, in brine, dried or smoked

Notwithstanding these measures, a number of products of considerable interest to developing countries remain restricted. These include fruit juices, purée and paste, preserved pineapple, prepared and preserved meats, certain vegetables, scallops and cuttlefish, edible seaweed, malt, certain types of leather and leather footwear. The Group expresses the hope that Japan will pursue vigorously its policy of improving access to its market for products of interest to developing countries.

OTHER NON-TARIFF BARRIERS

The Group noted that bilateral talks were continuing with respect to the two non-tariff barriers notified by the Republic of Korea and recorded in L/3610 (cargo receipt method of payment and charges by Japanese Laver Wholesalers Association) and hopes that speedy solutions will be found to these problems.

TROPICAL PRODUCTS

The Group noted with appreciation that certain tropical products were among a list of items subject to reduced duties as from 1 April 1972. These included roasted coffee, black tea put up for retail sale, other black tea and certain vegetable oils. The Group also noted the large increase that had taken place in banana imports since this product was liberalized and believes that consumption could be further encouraged by a reduction of the relatively high import duty on this product. The Group noted that considerable scope remains for further duty reductions on tropical products, especially in their semi-processed and processed forms.

NORWAY

QUANTITATIVE RESTRICTIONS

The Group noted with satisfaction that the remaining restrictions on rice (BTN 10.06) had been removed as recommended in L/3610.

The Group also noted that Norway continues to apply licensing controls and restrictions on a comparatively large number of products falling within Chapters 1 to 24 of the BTN. As most of these products are not subject to restriction in the European Economic Community which Norway expects to join on 1 January 1973, the Group believes that there is no a priori reason why Norway could not take action in the immediate future to liberalize at least products of interest to developing countries such as natural honey, cut flowers and vegetables and certain fruit (fresh, preserved or dried).

OTHER NON-TARIFF BARRIERS

The Group was informed that the recommendation in L/3610 concerning purchases of wine and other alcoholic products from developing countries had been brought to the attention of the Norwegian State Monopoly responsible for imports of these items.

TROPICAL PRODUCTS

The Group noted that for certain tropical products, the common external tariff of the Community was higher than the Norwegian tariff. The Group urges that Norway and the member States of the Community use their best endeavours to ensure continuing access to the Norwegian market for all developing countries exporting tropical products, including those in their semi-processed and processed forms, at the lowest possible rate of duty.

The Group also noted that Norway had not so far implemented the recommendation in L/3610 that chocolate and other preparations containing cocoa be included in the Norwegian scheme of preferences. The Group suggests that further consideration of this recommendation be given.

SWEDEN

QUANTITATIVE RESTRICTIONS

There was no recommendation under this heading in L/3610.

OTHER NON-TARIFF BARRIERS

With regard to the recommendation in L/3610 that the Swedish monopoly on wines and liqueurs should endeavour to expand, to the largest extent possible, its purchase of these products from developing countries, the attention of the Group was drawn to a study of the market for wine prepared by the International Trade Centre. This states, inter alia, that the existence of an import monopoly known to be one of the largest single wine importers in the world, makes the Swedish market very interesting to exporters, since large orders may be secured with relatively minor effort, and no quantitative restrictions exist. Statistics indicated that the developing country share of the market had risen from 4.7 per cent in 1966 to over 12 per cent in 1971.

TROPICAL PRODUCTS

The Group noted with appreciation that in response to the recommendation under this heading in L/3610, Sweden had included cocoa paste (18.03), cocoa butter (18.04), and cocoa powder (18.05) in its scheme of preferences for developing countries.

On the basis of a general recommendation made in L/3610, Sweden had also abolished the selective tax on roasted coffee.

SWITZERLAND

QUANTITATIVE RESTRICTIONS

There were no specific recommendations under this heading in L/3610.

The Group was informed that despite certain restrictions applied in accordance with the Protocol of Accession it was possible, through practical measures, to introduce new items on to the Swiss market. The Swiss authorities are prepared to examine sympathetically through bilateral contacts, problems faced by developing countries in securing market access, with a view to working out solutions.

While noting this assurance the Group believes that the opportunities for developing countries on the Swiss market could be improved by liberalization of trade in certain items of interest to these countries.

TROPICAL PRODUCTS

With regard to the recommendation contained in L/3610 concerning the import duty on bananas, the Group was informed that the matter was under consideration.

The Group also noted that import duties on refined palm-kernel oil and coconut oil were higher than for other refined vegetable oils and urges that this situation be reviewed.

UNITED KINGDOM

QUANTITATIVE RESTRICTIONS

The Group was informed that while liberalization of trade in jute and jute products remained the long-term objective, the existing state of the economy, involving a high rate of unemployment particularly in the Dundee region, precluded such action at the present time.

TROPICAL PRODUCTS

The Group noted that for certain tropical products, the common external tariff of the European Economic Community was higher than prevailing United Kingdom duties. The Group urges the United Kingdom, and the member States of the European Economic Community to use their best endeavours to ensure continuing access to the United Kingdom market for all developing countries exporting tropical products, including products in their semi-processed and processed forms, at the lowest possible rate of duty.

The Group also noted that tea, cocoa beans and most cocoa products are free of duty while coffee (09.01A and 21.02A) is subject to a reduced rate of duty under the United Kingdom Scheme of Preferences. The Group suggests that the United Kingdom consider the possibility of eliminating (or reducing further) the duties on coffee and coffee products in accordance with the recommendation made on tropical products in L/3610. The United Kingdom might also consider the inclusion of additional spices in its scheme of preferences for developing countries.

UNITED STATES

QUANTITATIVE RESTRICTIONS

There were no recommendations under this heading in L/3610.

The Group noted that formal quantitative restrictions were maintained by the United States on certain dairy products, wheat, wheat flour, peanuts, sugar, long and short staple cotton and cotton waste, items which are of interest to developing countries. As indicated in L/3610, the United States delegation considered that the problems affecting these products will have to be dealt with in the context of comprehensive negotiations comprising agricultural products in general.

The Group noted that, following Congressional action, import quotas had been introduced on sweetened chocolate, candy and confectionery as from 1 January 1972. The quota for 1972 has been set at 196,641,400 lbs., to be filled on a first-come, first-served basis. The attention of the United States authorities is drawn to the evolving situation whereby more and more developing countries are becoming interested in the export of such items which can often be produced from domestic raw materials. While these restrictions remain in force, consideration might be given to the exemption from the quota provisions, of specialty items exported from developing countries, which might normally fall within these categories.

OTHER NON-TARIFF BARRIERS

The Group noted the concern expressed by certain developing countries with regard to difficulties experienced under existing health and sanitary regulations in the export of certain items such as meat, melons and mangoes to the United States. While recognizing the legitimate need for such regulations, the Group hopes that where problems are encountered, the United States will help developing countries to overcome, where possible, the practical difficulties they might have in conforming to the regulations.

TROPICAL PRODUCTS

The Group was informed that the Administration had drafted legislation to eliminate the duty now applicable to certain natural rubbers containing fillers, extenders, pigment, or rubber-processing chemicals. The Group expresses the hope that it will be possible to finalize this action satisfactorily at an early date.