

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

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Special Distribution

Multilateral Trade Negotiations

NOTE BY THE SECRETARIAT

Revision

This paper is being circulated by the secretariat on its own responsibility in order to try to facilitate the negotiations on this subject.

FRAMEWORK: DRAFT ENABLING CLAUSE

Draft text

1. The provisions of the General Agreement shall not prevent a contracting party from according differential and more favourable treatment to developing countries¹ with respect to tariffs and non-tariff measures as described in paragraph 2 without according such treatment to other contracting parties.
2. The provisions of paragraph 1 of this [Article] apply to the following:
 - (a) preferential tariff treatment of the non-reciprocal and non-discriminatory character provided under the Generalized System of Preferences by developed contracting parties to products of developing countries;
 - (b) differential and more favourable treatment accorded by developed contracting parties to developing countries with respect to non-tariff measures consistently with the provisions of arrangements multilaterally negotiated under the auspices of the CONTRACTING PARTIES or applied to developing countries in general in accordance with criteria or conditions prescribed on this behalf by the CONTRACTING PARTIES;
 - (c) regional or global arrangements entered into by less-developed contracting parties for the mutual reduction or elimination of tariffs and, in accordance with criteria or conditions prescribed by the CONTRACTING PARTIES, for the mutual reduction or elimination of non-tariff measures, on products imported from one another;
 - (d) in the context of general or specific measures taken in favour of the developing countries, special and more favourable treatment for the least developed countries, while taking into account the interests of other developing countries.

¹The words "developing countries" as used in this text are to be understood to refer also to less-developed territories.

3. (a) Any differential and more favourable treatment provided under this Article shall be designed to facilitate the conduct of the trade of developing countries and not to raise barriers to or to create undue difficulties for the trade of contracting parties which do not benefit from such treatment;
- (b) such differential and more favourable treatment shall not constitute an impediment to the reduction or elimination of tariffs and other restrictions to trade on a most-favoured-nation basis.
4. The CONTRACTING PARTIES recognize that the differential and more favourable treatment provided for in terms of paragraphs 1 and 2 above is intended to respond to the development needs of the beneficiary countries and may be modified or withdrawn when it no longer responds to these needs.
5. Any contracting party taking action to introduce an arrangement pursuant to paragraphs 1 and 2 above or to subsequently modify or withdraw the differential and more favourable treatment so provided shall:
 - (a) notify the CONTRACTING PARTIES and furnish them with all the information they may deem appropriate relating to such action;
 - (b) afford adequate opportunity for consultations at the request of any other contracting party which considers that any benefit accruing to it under the General Agreement including the provisions of this /Article/ may be or is being impaired as a result of such action. Should such consultations prove unsatisfactory, the matter may be brought before the CONTRACTING PARTIES by the contracting parties concerned in accordance with the provisions of Article XXIII.
6. The CONTRACTING PARTIES shall provide for reviews of the arrangements introduced under this /Article/ and may also prescribe any criteria, supplementary conditions or procedures which they judge appropriate to ensure the adequate safeguard of the interests of all the contracting parties concerned.