

GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

MTN/INF/23/Rev.1

29 June 1978

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.

DRAFT DECISION ON RECIPROCITY AND CONTRIBUTIONS BY LESS-DEVELOPED CONTRACTING PARTIES

Draft text

The CONTRACTING PARTIES,

Recalling the provisions of Part IV of the General Agreement, in particular Article XXXVI:8, and the need to give due regard to the individual development, financial and trade needs of developing countries;

Recognizing that trade negotiations between developed and less-developed contracting parties should aim to promote the basic objectives of the General Agreement, including those embodied in Article XXXVI, and to secure additional benefits for the international trade of developing countries;

Having regard to the provisions of Articles XVIII, XXVIII and XXVIII bis;

Agree that,

1. Trade negotiations between developed and less-developed contracting parties should provide sufficient scope for due account being taken of such factors as:

(i) the relative effects of the concessions exchanged on the national economies and particularly on the external trade flows of the negotiating contracting parties;

(ii) the relative importance of a particular product to the trade of a less-developed contracting party where this is relevant to the definition of its substantial supplying interests;

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(iii) the possibility of two or more contracting parties negotiating jointly on products in which they have a common supplying interest;

(iv) the appropriate flexibility needed with respect to the equitable assessment of concessions and to their implementation, as well as in negotiations involving modifications or withdrawals of concessions.

2. The capacity of developing countries to participate in commitments under the provisions of the General Agreement should be expected to improve with the progressive development of their economies and an improved capacity to support higher standards of living and also be appropriately reflected in the concessions or contributions made by these countries with respect to tariffs or non-tariff measures consistently with the benefits received by them and with their rights under the General Agreement.

3. In the implementation of the provisions of paragraphs 1 and 2, each contracting party shall afford to any other interested contracting party or contracting parties full and prompt opportunity for consultations with respect to any difficulty or matter that may arise. The CONTRACTING PARTIES shall, if requested to do so by any interested contracting party and without prejudice to the relevant provisions of the General Agreement, consult with the contracting parties concerned with respect to the matter, with a view to reaching solutions satisfactory to all such contracting parties.