

# GENERAL AGREEMENT ON TARIFFS AND TRADE

CONFIDENTIAL

MTN/INF/31  
4 July 1978

Special Distribution

---

## Multilateral Trade Negotiations

### NOTE BY THE SECRETARIAT

It is the understanding of the secretariat that the attached text reflects the present state of thinking of certain delegations on the enabling clause.

It is circulated in order to facilitate further discussions and negotiations.

---

### ENABLING CLAUSE TO BE INCLUDED IN PART IV OF THE GENERAL AGREEMENT

1. The provisions of this Agreement shall not prevent contracting parties from according differential and more favourable treatment to less-developed contracting parties without according such treatment to other contracting parties, provided that such treatment be designed to respond to the development needs of the less-developed contracting parties concerned while avoiding discrimination between less-developed contracting parties with comparable financial, trade and development needs.
2. (a) Any differential and more favourable treatment provided under this article shall be designed to facilitate the conduct of the trade of less-developed countries and not to raise barriers to 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.
3. Differential and more favourable treatment applied in accordance with the provisions of paragraph 1 shall be extended for such time as is justified by the economic, financial and trade situation of the individual less-developed contracting party.

4. Any contracting party wishing to establish or extend arrangements pursuant to paragraph 1 shall notify the CONTRACTING PARTIES and furnish them with all the necessary information so as to permit them to examine the proposed action and its conformity with the provisions of this clause, and make such recommendations as they may deem appropriate.

5. Any contracting party which considers that any benefit accruing to it under the General Agreement may be or is being impaired as a result of actions taken under paragraphs 1 and 2 shall have adequate opportunity for consultations with other contracting parties. In cases where such consultations prove unsatisfactory, it may bring the matter before the CONTRACTING PARTIES, which will examine it promptly and make any recommendations that they deem appropriate.

6. The CONTRACTING PARTIES may take implementing decisions to facilitate the application of the above provisions, as necessary.

The following addition should be made to Article XXXVI:8:

The capacity of developing countries to assume progressively greater obligations under the General Agreement, and to participate in commitments in the course of trade negotiations, will improve with the progressive development of their economies and should thus be appropriately reflected in the concessions or contributions made by these countries with respect to tariff or non-tariff measures.

---

The above additions to Part IV shall be reviewed by the Committee on Trade and Development in accordance with its terms of reference.

The provisions of paragraph 1 apply to the following:

- (a) Preferential tariff treatment accorded by developed contracting parties to products of less-developed countries in accordance with the Generalized System of Preferences;
- (b) Differential and more favourable treatment with respect to the provisions of the General Agreement concerning non-tariff measures governed by the provisions of arrangements multilaterally negotiated under the auspices of the General Agreement;
- (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) Special treatment of the least developed among the developing countries in the context of any general or specific measures in favour of less developed contracting parties.