

COMMITTEE ON TRADE AND DEVELOPMENT

Attached is a draft note on the proceedings of the forty-ninth session of the Committee on Trade and Development, held on 8 March 1983.

Members of the Committee are invited to forward any comments they may have to Mr. M. Hamid, Development Division, Tel. Ext. 2186/2242, by 22 April 1983.

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

Spec(83)19
23 March 1983

Committee on Trade and Development

DRAFT PROCEEDINGS OF THE FORTY-NINTH SESSION

Prepared by the Secretariat

1. The Committee on Trade and Development held its forty-ninth session on 8 March 1983 under the chairmanship of H.E. Mr. Kazimir Vidas (Yugoslavia).
2. The Committee adopted the provisional agenda outlined in the airgram GATT/AIR/1882. The Committee noted that, under "other matters", the delegation of India intended to make a statement on action by Canada under Article XIX in regard to leather footwear.
3. The primary purpose of this session was to consider the Committee's programme of work in the light of the relevant decisions taken by Ministers at the Thirty-Eighth Session of the CONTRACTING PARTIES. In this connexion the Committee had before it the secretariat note COM.TD/W/378 which summarizes matters that would need to be decided by the Committee.

Item (i) - Procedures and timetable for consultations in regard to the application of the provisions of Part IV

4. Paragraph 1 of the decision by Ministers on GATT Rules and Activities Relating to Developing Countries, and paragraph 1 of the Annex to the Ministerial Declaration, called for the Committee on Trade and Development to arrange a programme of consultations "with contracting parties individually or collectively, as appropriate, to examine how individual contracting parties have responded to the requirements of Part IV". In this connexion the Chairman had previously held informal consultations with

a number of delegations, individually as well as collectively. The proposals that he made in regard to matters that required decisions by the Committee were based upon these informal consultations.

Timetable for the consultations

5. The Chairman proposed that consultations be held with the Nordic countries, Hungary and Austria in the course of 1983, and with Canada, the United States, Japan and the EEC in the course of 1984. Arrangements would also be made for consultation with a group of developing countries in the course of 1984. Arrangements with regard to consultations with other contracting parties, and the precise dates for the consultations, would be established by the Chairman in consultation with members of the Committee.

Procedures for the consultations

6. The Chairman proposed that the consultations take place in the Committee itself. Recalling that paragraph 1(b) of the Annex to the Ministerial Declaration required the consulting countries to supply information on which the consultations would be based, the Chairman proposed that the information to be supplied by the consulting countries might include an overall review of developments in its trade flows and factors affecting this trade in the last three years (it would be open to the countries concerned to cover a longer period), followed by an assessment as to how the country's economic and trade policies had responded to the objectives and principles of Article XXXVI, the commitments of Article XXXVII, and the provisions for joint action in Article XXXVIII. The information supplied by the consulting country would be supplemented by additional factual material prepared by the secretariat.

7. The Chairman observed that the results of the consultations under these arrangements would be incorporated in the annual report of the

Committee to the CONTRACTING PARTIES, with conclusions as appropriate. He proposed that in order to improve the procedures for the annual review of the implementation of Part IV, and in order to avoid unnecessary duplication, the Committee, while carrying out individual and collective consultations, should take account of information made available and discussions held in the context of the Sub-Committee on Protective Measures. Similarly, information made available in the context of the consultations should be taken account of for the purpose of the Sub-Committee and the yearly review.

8. While welcoming the proposals by the Chairman, the representatives of some developing countries emphasized that in their view, the main purpose of the Ministerial decision in this regard was to focus on the manner and the extent to which the developed countries had extended their cooperation and assistance to promoting the trade of the developing countries, in accordance with the provisions of Part IV. This was clearly borne out by the reference to "the special responsibility of the developed contracting parties" in the Ministerial decision. While the developing countries were willing to consult on their own part, consultations with the developing countries could only relate to their particular and specific obligations under Part IV. In this connexion, these representatives referred to the provisions of paragraph 4 of Article XXXVII. Some of these representatives felt that a fuller clarification of the nature and scope of the proposed consultations with the developing countries, as envisaged by interested contracting parties, would be helpful. The representative of a group of developed countries suggested that informal consultations on this question among interested countries might be useful.

9. The representative of a developing country emphasized that the consultation should focus on each of the specific provisions of Part IV, both those of a general character, relating to the joint and collective obligations of the developed countries in regard to the trade interests of the developing countries, and those relating to the responsibilities and obligations devolving on individual developed countries in this regard. Documentation to be prepared for the purpose of these consultations, drawing upon the consulting countries themselves, their developing trading partners, the secretariat and other relevant international bodies, should be comprehensive and should contain all relevant facts and figures, covering the period of the past three years.

10. The representatives of some developing countries expressed the hope that the review of the implementation of the provisions of Part IV under the new arrangements would be more fruitful and yield more positive results than the normal reviews by the Committee in the past.

11. The representatives of some developed countries expressed their attachment to a balanced approach to the arrangements for consultations and to the importance of the inclusion of less developed contracting parties, as well as contracting parties from Eastern Europe, in the calendar of consultations for 1984. They further expressed the view that while the responsibilities and obligations of the developing countries under Part IV were different in nature and intensity from those of the developed countries, these responsibilities and obligations may not necessarily be limited to paragraph 4 of Article XXXVII. To this effect, reference was made to Article XXXVIII:2(c) and (e). Some of these representatives observed that it was implied in the Ministerial decision that the consultations would not be a one-time exercise but a continuing process;

accordingly, the manner of their handling and their scope and content could be expected to improve with experience.

12. The representative of a developing country proposed that documentation relating to particular consultations should be circulated at least two months before the consultations.

13. The representative of a developed country observed that it would be helpful if the particular concerns, interests or questions of developing countries relating to the countries being consulted could also be communicated to those countries sufficiently in advance of the actual consultations.

Item (ii) - Procedures and Timetable for reviewing the
operation of the Enabling Clause

14. The Chairman referred to paragraph 2 of the Annex to the Ministerial Declaration which invites the Committee on Trade and Development "to review the operation of the Enabling Clause as provided for in its paragraph 9, with a view to its more effective implementation, inter alia, with respect to objectivity and transparency of modifications to GSP schemes and the operation of consultative provisions relating to differential and more favourable treatment for developing countries", and recalled that in terms of the Ministerial Declaration actions taken under the decision on GATT Rules and Activities Relating to Developing Countries are to be reviewed at the 1984 Session of the CONTRACTING PARTIES. He proposed that the review provided for in the Annex might be embarked upon in the context of the regular annual review of the operation of the Enabling Clause in 1983, and that the full review may be completed before the 1984 Session of the CONTRACTING PARTIES.

15. Representatives of some developed countries observed that some of the provisions of the Enabling Clause overlapped with those of the Part IV. It

may be useful and may avoid unnecessary duplication if countries consulting under Part IV could be invited to cover both the provisions of Part IV and the related or overlapping provisions of the Enabling Clause in the information to be supplied by them. Other provisions of the Enabling Clause which were additional to or went beyond Part IV could be covered in the proposed full review. The representative of a developing country emphasized that the separate character of the two exercises should be maintained.

16. The representatives of some developed countries observed that the provisions of the Enabling Clause reflected a balance between the concerns of the developing and the developed countries, and they attached great importance to paragraph 7 of the Clause. The representative of a developing country observed that the provisions of paragraph 7 related to autonomous decisions by developing countries.

Item (iii) - Consultations and appropriate negotiations
aimed at further liberalization of trade
in tropical products

17. The Chairman referred to the Ministerial decision concerning "consultations and appropriate negotiations aimed at further liberalization of trade in tropical products, including in their processed and semi-processed forms", and recalled the decision taken by the Council at its session on 26 January 1983 that the Committee on Trade and Development would make the necessary arrangements to carry out this work. In this connexion, the Chairman drew attention of members of the Committee to the secretariat note COM.TD/W/379, which summarizes the work carried out by the Committee in the area of tropical products since the conclusion of the MTN.

18. Referring to the question of the purpose of the exercise and its scope and coverage, the Chairman observed that the round of Consultations on

Trade Liberalization held under the auspices of the Committee in March 1982 would provide a useful starting point from which to proceed. This did not however mean that the list of product groups covered in the March 1982 Consultations was necessarily exhaustive or final in relation to the present exercise. Members of the Committee might wish to consider any suggested additions to that list. The consultations and appropriate negotiations could cover tariffs, tariff escalation, quantitative and other import restrictions and other non-tariff measures affecting trade in various tropical products.

19. In regard to the information requirements for these "consultations and appropriate negotiations", the Chairman suggested that the documentation prepared for the 1982 Consultations on Trade Liberalization could be updated to include the latest available trade flow data, any new commercial policy measures and any additional information including clarifications provided by delegations during the 1982 Consultations. Additional documentation could be prepared if required as the work proceeded.

20. Following upon the informal consultations that he had held with a number of delegations on, inter alia, the question of procedures and timetable for this work, the Chairman proposed that a first round of consultations be held in 1983. In the light of the results of these consultations, which could be embodied in a report to the Committee, a calendar for a second round of consultations and appropriate negotiations could be established for 1984. The results of such consultations and negotiations could be transmitted to the CONTRACTING PARTIES at their 1984 Session, as called for by the Ministerial Declaration.

21. The representative of a developing country emphasized that this exercise should proceed beyond the point reached in the plurilateral

Consultations held in March 1982, and expressed the hope that the developed countries concerned would be in a position to respond positively to the proposals and suggestions that had been addressed to them at that time.

22. The representative of another developing country suggested the addition of cotton to the list of products referred to in paragraphs 10 and 11 of the document COM.TD/W/379.

23. The representative of a developed county expressed the hope that this process will eventually lead to negotiations that will result in increase in trade. While his delegation did not at this stage have legislative authority to engage in trade negotiations, they were ready to proceed with this exercise on the assumption that this was a procedural problem that would be addressed at the appropriate time. He further observed that since they were wedded to the ultimate objective of this exercise, namely increase in trade through the process of mutual exchange of requests and concessions, they were ready to maintain a flexible attitude to the proposals outlined by the Chairman on the questions of product coverage and the scope and procedures for this exercise. In the view of his delegation this exercise was in a sense related to the decision embodied in paragraph 5 of the Ministerial decision on GATT Rules and Activities Relating to Developing Countries.

24. The Committee agreed with the proposals outlined by the Chairman in this regard.

Item (iv) - Proposals by the Ivory Coast on Trade in
Tropical Agricultural Products

25. The Committee had before it the proposals on trade in tropical agricultural products made by the Ivory Coast at the Ministerial meeting and contained in document W.38/3. It had been agreed at the time of the Ministerial meeting that these proposals would be dealt with in the course

of the normal work of GATT. The Council, at its meeting on 26 January 1983, agreed that these proposals would be dealt with by the Committee on Trade and Development.

26. The representative of the Ivory Coast observed that the proposals might be considered by some delegations to fall within the scope of activities of other international organizations. However, it was their view that GATT also clearly had a responsibility and a contribution to make in this area. His delegation was open-minded in regard to these proposals and was interested in hearing the reactions and comments of other delegations, and would welcome any suggestions for the improvement of these proposals.

27. The representatives of a number of countries expressed interest, and general support for the initiative by the Ivory Coast. Some of these representatives observed that the proposals were clearly within the scope of the GATT in view of the provisions of Article XXXVIII:2(a) for joint action by the contracting parties in the field of primary products. In relation to the proposal by the Ivory Coast for a study of costs of production in the developing countries, the representatives of some developing countries observed that it would be useful to undertake a study of costs of production in the developed countries as well, as this could provide a clearer insight into the problem of protectionism in these countries. One of these representatives also felt that the proposed work programme suggested by the Ivory Coast could be relevant in the context of paragraph 5 of the Ministerial decision as well. The representatives of some other countries expressed the view that there was a need for further elaboration of the precise scope of these proposals, such as the products to be included in the proposed work programme, the specific issues to be covered, and the objectives that were in view, before any decisions could

be taken on how to proceed in this matter. The representative of a developed country felt that the proposed study of costs of production would involve serious methodological difficulties. He also questioned the pertinence of such studies within the GATT framework.

28. Expressing interest in the initiative by the Ivory Coast, the representative of the EEC observed that this was consistent with the well-known attachment of the EEC to the question of maintenance of agricultural incomes at adequate levels. He pointed out that the EEC was already making a contribution in this regard through the STABEX arrangements under the Lome Convention, and was actively participating in the commodity negotiations under the auspices of UNCTAD. He, however, shared the view that many aspects of the proposals needed to be clarified more fully. He suggested that it may be useful if informal consultations could be held between interested delegations in this regard before the Committee reverted to them at its next session.

Item (v) - Prospects for Increasing Trade
Between Developed and Developing Countries

29. The Committee had before it a secretariat note, Spec(83)16, relating to paragraph 5 of the decision by Ministers on GATT Rules and Activities Relating to Developing Countries, which instructs the Committee on Trade and Development "to carry out an examination of the prospects for increasing trade between developed and developing countries and the possibilities in GATT for facilitating this objective", and requires the CONTRACTING PARTIES to review action taken in relation to this decision at their 1984 Session. The secretariat note anticipated an exchange of views in the Committee on (a) the elements that may need to be taken into account in an examination of the prospects for increasing trade between developed and developing countries, and factors which in the view of delegations

determined such prospects, and (b) the possibilities in GATT for facilitating the objective of the decision. The Committee also had before it document COM.TD/W/381, containing a proposal on this subject by the delegation of the United States.

30. In introducing his delegations's proposal, the representative of the United States expressed the view that it was important for the world trading system and for the economies of developed and developing countries that the GATT make a contribution to the mutual opening of the markets of the developed and the developing countries, and the expansion of North-South trade. He recalled the proposal made by the United States in the context of the GATT Ministerial meeting last year to the effect that negotiations be undertaken to achieve a mutual opening of markets between developed and developing countries. Such negotiations would be designed to provide an appropriate degree of preferential access for developing countries in return for dealing with the concerns of the United States and other developed countries about import barriers in developing country markets. He expressed the hope that although the Ministerial declaration did not explicitly endorse this proposal, the Committee would consider it as the point of departure for discussion on the subject. He further observed that while they recognized that it may not be possible to come to agreement on a complete work programme on this matter at the present meeting, they hoped that the Committee could at least agree to the first stages of a work programme.

31. The representative of a developing country noted that there had not been sufficient time for the US proposal in COM.TD/W/381 to be examined and, therefore, any comments on it could only be of a preliminary nature. He observed that the proposal by the United States was an echo of the

proposal made by that country in the context of the Ministerial meeting. The proposal had been the subject of prolonged discussions, and eventually was not accepted. He was at a loss to understand the rationale for re-opening of the proposal so soon after the Ministerial meeting. He further expressed the view that the United States proposal was based on the premise that developing countries maintained illiberal trade regimes which hampered access to their markets for developed country exports. This was factually incorrect. He quoted figures of world trade for the last ten years to show that the developed countries had consistently had a favourable trade balance with the developing countries, and that the trade deficit of the developing countries had been increasing over the recent period at an alarming rate. He also referred to the critical external debt situation in many developing countries, which was in part a reflection of an imbalance between their imports and exports. In the light of these facts the only real constraint on the level of developing country imports was the purchasing capacity of these countries; they were not only importing all that they could but finding it increasingly difficult to sustain the present level of their imports. The bulk of their imports were tied to the essential requirements of their economic development, such as capital goods, intermediate goods, transport equipment etc. Any study addressed to the question of further liberalization of imports by developing countries would, therefore, in his view, only lead to a blind alley and be of no practical use. The only way to increase the import capacity of developing countries was to improve access to developed country markets for their exports. In this regard, he pointed out that all the dynamic and promising growth sectors of exports from developing countries, such as textiles, leather goods and low-technology engineering goods like

industrial fasteners, were subject to protectionist measures in the developed country markets. The purchasing capacity constraint on import demand, and the restrictions on access to developed country markets, were problems shared by all developing countries, including the so-called newly industrialized countries, and these were the primary factors to be borne in mind when examining the prospects for increasing trade between developed and developing countries.

32. The representatives of a number of developing countries expressed their agreement with the preceding analysis of the situation, stressing in particular the importance of purchasing capacity constraints imposed on developing countries by the restrictions and limitations imposed on exports from developing countries in the markets of the developed countries. They felt that any examination of the prospects for increasing trade between the developed and the developing countries would need to focus on these problems.

33. The representative of a developing country suggested that the Secretariat Press Release (GATT/1333) on "International Trade in 1982 and Current Prospects", together with the document produced on a regular basis by the secretariat and presented to the Committee concerning developments in international trade of interest to developing countries, would provide a useful basis on which to proceed with an examination of trade prospects between developed and developing countries at the next session of the Committee.

34. The representative of another developing country felt that it would be desirable to provide the secretariat with some guidance about how to proceed in relation to the examination called for by the Ministerial decision. He suggested that apart from various activities taking place in

other GATT bodies which were relevant to trade between developed and developing countries, an examination could refer to the following GATT articles; Article XVIII : 5 which concerned problems associated with shortfalls in commodity export earnings; Article XXXVIII:2(a) which dealt with conditions in international commodity markets; and Article XXXVIII:2(c) which dealt with the question of trade and aid relationships.

35. The representatives of some developed countries expressed the view that the secretariat might prepare a document, based upon various suggestions by delegations regarding approaches and elements that would need to be taken into account in the examination of prospects for increasing trade between developed and developing countries. Some of these representatives stated that they saw documents Spec(83)16 and COM.TD/W/381 as relevant to the examination called for by Ministers, and that such an examination should be carried out in a flexible and pragmatic way, in conjunction with work undertaken in other areas called for by the different Ministerial decisions. If an open-minded approach were adopted it may be possible to identify areas where mutually beneficial progress could be made.

36. The representative of a developed country stressed the value of security of market access associated with trade liberalization and an acceptance of the framework of GATT rules. The representative of a developing country observed that exports from developing countries lacked security of access to markets because of protectionist measures adopted by developed countries, such as voluntary export restraints, and anti-dumping and countervailing duty investigations and actions, and the situation could hardly be expected to be redressed through negotiation of commitments within the traditional GATT framework.

Item (vi) - The work programmes of the Sub-Committees on
Protective Measures and on the Trade of
Least-Developed Countries

37. The Committee agreed to appoint, for 1983, H.E. Mr. G.O. Ijewere (Nigeria) and Mr. O. Ozuye (Turkey) as Chairman and Vice-Chairman respectively of the Sub-Committee on Protective Measures, and H.E. Mr. F.J. Reino (Portugal) Chairman of the Sub-Committee on Trade of Least-Developed Countries.

38. The representative of Colombia, speaking on behalf of the informal group of developing countries, recalled Paragraph 3 of the Annex to the Ministerial Declaration, which invited contracting parties to pursue action "towards facilitating trade of least-developed countries and reducing tariff and non-tariff obstacles to their exports". In this regard he proposed that the Sub-Committee on Trade of Least-Developed Countries hold consultations between interested least-developed countries and their respective trading partners on issues related to their development and export interests, including an examination of barriers to their trade and other relevant commercial policy matters. The representative of Colombia also proposed that the Sub-Committee may have responsibility for monitoring the implementation of those aspects of the Ministerial Declaration which concerned least-developed countries.

39. The representative of a least-developed country supported these proposals and also requested that the secretariat prepare comprehensive studies for each consulting country, examining tariff and non-tariff matters, the potential for increasing their trade, and other issues such as external and internal resource flows to the trade sector, diversification of products and so on. He also requested technical assistance from the secretariat in preparing for the consultations. Finally, he suggested that

the Sub-Committee might meet shortly to finalize a programme of consultations, after which it might convene three or four times a year for actual consultations. The Committee agreed with the conclusions provided by the Chairman at the end of the discussions under items (i) to (vi). These conclusions are annexed to the record of the proceedings.

Other business

Item (vii) - ASEAN Preferential Trading Arrangements

40. The Committee had before it document L/5455 containing a notification submitted by Singapore on behalf of the ASEAN countries, under paragraph 4(a) of the Enabling Clause, in regard to the ASEAN Preferential Trading Arrangements. The Committee took note of document L/5455.

Article XIX action by Canada on leather footwear

41. The representative of India referred to the Article XIX action taken by Canada on leather footwear and observed that even though, in the view of his authorities, this action had been taken in disregard of the provisions of Article XXXVII, they did not express their concern as long as the action remained on a most-favoured-nation basis. However, from 31 December 1982, the Canadian authorities had introduced an element of discrimination based upon prices in their Article XIX action. With effect from this date, leather shoes and sandals with value for duty of at least Can\$45.00 per pair and leather boots with value for duty of at least Can\$75.00 per pair had been exempted from import quota. This price discrimination was not only contrary to the letter and spirit of Article XIX, but also established a dangerous precedent, and had an adverse effect on the export interests of developing countries. He wanted to express the deep concern of his authorities with this development, and to reserve their right to revert to the matter.

42. The representative of Canada stated that in the view of his authorities, the Article XIX action referred to by the representative of India was consistent with the relevant provisions of the General Agreement, and the price discrimination element in the action did not constitute a new precedent under the GATT. He pointed out that Canada had held discussions with interested parties as required under Article XIX. In respect of the relevance of Article XXXVII, the representative of Canada observed that in view of his authorities, extensive and rapid closures in the industry and consequent large-scale job losses constituted compelling enough reasons to justify the action.

43. The representative of the United Kingdom for Hong Kong expressed the concern of his authorities about this matter, particularly in regard to the wider implications of the price-discriminatory use of Article XIX by Canada, and stated that his authorities wished to reserve their right to revert to the matter. The representatives of a number of other developing countries expressed similar concerns about the use of Article XIX in a way which in their view discriminated between suppliers either geographically or on the basis of prices, which they regarded as an infringement of GATT rules. The representative of one developing country also expressed the view that this issue was illustrative of the sort of questions relevant to an examination of prospects for increasing trade between developed and developing countries. The representative of Canada observed that in his view there were important issues involved in regard to the use of Article XIX. These issues were under consideration elsewhere in GATT and it would not be appropriate for the Committee to pronounce on the legality or otherwise of Canada's Article XIX action. With respect to the relevance of Article XXXVII, the representative of Canada expressed the hope that

issues such as these could be taken up for discussion in the consultations called for in the Ministerial Declaration.

Expansion of technical assistance

44. The representative of a developing country observed that the question of follow-up action on Paragraph 4 of the decision by Ministers on GATT Rules and Activities Relating to Developing Countries, which called for a strengthening of the technical co-operation programme of the GATT, would also need to be discussed in the Committee. The Committee agreed to revert to this matter at its next meeting.

Next Meeting of the Committee

45. It was agreed that the date of the next meeting of the Committee would be set by the Chairman in consultation with delegations.

ANNEX

FUTURE WORK PROGRAMME OF THE COMMITTEE IN THE LIGHT OF
RELEVANT DECISIONS TAKEN BY MINISTERS AT THE
THIRTY-EIGHTH SESSION OF THE CONTRACTING PARTIES

Conclusions by the Chairman

1. The Committee carried out an examination and discussion of its future work programme in the light of decisions taken by Ministers at the Thirty-eighth Session of the Contracting Parties. The Committee had before it two documents prepared by the secretariat; COM.TD/W/378, which summarized the issues on which decisions are required, and COM.TD/W/379, which summarized earlier work undertaken by the Committee in the area of tropical products. The views expressed by delegations on the different issues have been noted and will be duly recorded in the secretariat note on the proceedings of this session.

Consultations and review of Part IV

2. It was agreed that the consultations envisaged should be carried out in the Committee itself.

3. After informal consultations with delegations, it is proposed that the Nordic countries, Hungary and Austria consult in the Committee during the course of 1983. It is further proposed that Canada, the United States, Japan and the EEC consult in 1984. The Committee will also make arrangements for a consultation with a group of developing countries in the course of 1984. Additional arrangements and the precise dates for the consultations will be established by the Chairman in consultation with members of the Committee.

4. It was recalled that the purpose of the consultations is "to examine how individual contracting parties have responded to the requirements of Part IV". Discussions could therefore be organized under the following general points:

- (a) overall review of developments in a country's trade flows and factors affecting such trade;
- (b) examination of how a country's economic and trade policies have responded to the objectives and principles contained in Article XXXVI;
- (c) examination of how trade policy measures have responded to the commitments of the countries concerned under Article XXXVII;
- (d) consideration of any matters relating to joint action under Article XXXVIII.

5. The consulting country might be invited to submit a paper containing information relevant to items mentioned above. This information should in principle cover the preceding three-year period, but it would be open to the country concerned to provide information covering a longer period. The secretariat would prepare a factual background paper covering developments in trade and trade policy. The documentation relating to a consultation, as well as any questions or specific issues which delegations intend to raise in relation to the consultation, should be made available to contracting parties as far as possible in advance of the consultation.

6. The results of consultations would be embodied in the yearly report of the Committee on Trade and Development to the CONTRACTING PARTIES with conclusions as appropriate.

7. Aside from the consultations with contracting parties, the following arrangements would be made to complete the review of the application of Part IV:

- (a) the Sub-Committee on Protective Measures would be requested to continue to carry out an examination of any new protective measures not previously examined in the course of individual or collective consultations, taking into account any relevant provisions of Part IV in this respect;
- (b) at its regular session in the Fall, the Committee on Trade and Development would conclude its overall review of the application of Part IV, in conjunction with its yearly review of the operation of the Enabling Clause, taking fully into account the work accomplished through the consultations and the Sub-Committee on Protective Measures, so as to avoid any duplication.

Enabling Clause

8. In the light of the Ministerial Decision to review the operation of the Enabling Clause as provided for in its Paragraph 9, it was generally felt that such a review should be initiated in the context of the regular annual review of the operation of the Enabling Clause in 1983, and then completed in 1984.

Tropical Products

9. The Committee held a discussion on the Ministerial decision concerning tropical products, which calls for consultations and appropriate negotiations aimed at the liberalization of trade in tropical products, including in their processed and semi-processed forms, and for a review of the progress achieved in this regard at the 1984 Session of the CONTRACTING PARTIES. In the light of this discussion, the Committee reached the following understanding:

(i) Arrangements for consultations

The necessary arrangements would be made for conducting informal plurilateral and bilateral consultations among interested delegations. Consultations would be open to all interested contracting parties, and to any developing country participants in the MTN not contracting parties to GATT which express their desire to participate.

(ii) Scope and coverage of consultations and appropriate negotiations

Consultations and appropriate negotiations would be based on the product groups which were examined during the round of Consultations on Trade Liberalization under the COM.TD in March 1982, in the understanding that this would not constitute a formal definition of tropical products nor an exhaustive listing. Additional products may be proposed for consideration. Consultations and appropriate negotiations could cover tariffs, tariff escalation, quantitative and other import restrictions and other non-tariff measures affecting trade in the products considered above.

(iii) Background information

The background documentation (COM.TD/W/series) prepared for the 1982 Consultations on Trade Liberalization would be updated and circulated.

(iv) Procedures for work

Work would be divided into two stages:

- a first round of consultations in 1983;
- a second round of consultations and appropriate negotiations in 1984.

It is understood that the round of Consultations on Trade Liberalization held under the auspices of the Committee in March 1982 would provide a useful starting point from which to proceed. In the first round, it would be open for interested countries to file requests for further trade concessions on the products concerned. A report on this round would be submitted to the Committee on Trade and Development, which would then establish the calendar for the second round of work.

The second round could cover consultations and, as appropriate, any negotiations which interested countries may wish to undertake, both bilaterally or plurilaterally, on the measures and barriers identified previously. The results of this round would be examined by the CONTRACTING PARTIES in 1984, in accordance with the decision by Ministers.

Ivory Coast Proposal

10. After discussion of the proposal made by the Ivory Coast at the Ministerial Meeting (in document W.38/3) in relation to tropical agricultural products, which was referred by the Council at its January 1983 meeting to the Committee for its consideration, it was agreed that further time was required for reflection, and that following informal consultations, this matter would be reverted to at the next meeting.

Prospects for increasing trade between developed and developing countries

11. The Committee has had an initial exchange of views which will be duly recorded.

12. The Committee will revert to the matter at its next meeting.

13. It is the intention of the Chairman to hold informal consultations with a view to facilitating discussions at the next meeting.

14. The secretariat will prepare appropriate background material for the next meeting.

The work programmes of the Sub-Committee on the Trade of the Least-Developed Countries

15. The Committee takes note of the proposal made by Colombia on behalf of the developing countries, to the effect that the Sub-Committee on Trade of Least-Developed Countries (a) monitor the implementation of those aspects of the Ministerial Declaration which concern least-developed countries; and (b) hold consultations between interested least-developed countries and their respective trading partners on issues related to their development and export interests, including the examination of barriers to their trade and any other relevant commercial policy matters. The Committee endorses this proposal and requests that the Sub-Committee on Trade of Least-Developed Countries make the necessary arrangements for its inclusion in its programme of work.