Action Committee

SECRETARIAT NOTE ON WORK IN PROGRESS
FOR THE IMPLEMENTATION OF THE ACTION PROGRAMME

1. When the Action Committee last met in December 1963, it had before it inter alia, the report of Sub-Committee 3 of the Action Committee, which summarized briefly the work of direct relevance to the Action Committee undertaken in the GATT. (See AC/8, Annex 1.) In order to assist the Action Committee in its work, the secretariat has considered it useful to bring the information contained in that report up to date, by describing, in the note below, recent developments in the work of the different subsidiary bodies of GATT which are engaged in work of direct relevance to the Action Committee.

Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries

2. At the December meeting of the Committee, as noted in the last report of Sub-Committee 3, governments were invited to submit concrete proposals for a new Chapter on Trade and Development. The Committee resumed its discussions on 2 March. On the basis of the discussions of various proposals, submitted by governments (see L/2147 and L/2165) the Committee is at present in the process of drafting a new Chapter for inclusion in the General Agreement. In accordance with its terms of reference the Committee will report to the present session of the CONTRACTING PARTIES.

Working Party on Preferences

3. Reference to the first two meetings of this Group, held in October and December 1963, was made in the first report of Sub-Committee 3. The Working Party has resumed its meetings during the present session. A paper summarizing the proposals before it, including those referred to it by the Committee on Legal and Institutional Framework has been circulated as Spec(64)41. The Working Party will hold further meetings and is to report to the CONTRACTING PARTIES at the current session.
Special Group on Trade in Tropical Products

4. In accordance with a recommendation by Committee III, the Special Group on Trade in Tropical Products held a meeting from 18-20 February, to examine the problems facing the cocoa industry, following the failure of the United Nations Cocoa Conference, and to seek solutions to these problems insofar as they come within the purview of the GATT. The report of the Special Group was issued in document L/2157.

5. As will be seen from the report, the Special Group, with the abstention of Brazil, felt that it should be possible to make concrete progress concerning the problems affecting tropical products during the forthcoming trade negotiations in the GATT and recommended that the question be referred to the Trade Negotiations Committee. The Chairman of the Special Group on Trade in Tropical Products was asked to maintain liaison between the Special Group and the Trade Negotiations Committee.

6. At the meeting of the Special Group attention was also drawn to the problems still facing trade in tea, and to possibilities for action in regard to vegetable oils and oilseeds. (See L/2157, paragraphs 10 and 12.)

7. As regards the question of bananas, which continues to be under examination in the Special Group, the Group took note of a statement that the study which the secretariat had been asked to undertake on bananas, in collaboration with the FAO, is proceeding according to expectations.

Group of Experts in the Field of Financial Assistance

8. In accordance with a recommendation by Committee III, a meeting of an Expert Group in the Field of Financial Assistance was held from 27-29 January. The report of the Group was distributed in document COM.III/127. Other documents of relevance to the Action Committee issued in connexion with that meeting are COM.III/125 and COM.III/129.

9. In its report, the Group stated that the responsibilities which the CONTRACTING PARTIES had recently undertaken in the field of studies of development programmes would render an intensified collaboration between GATT and the lending agencies particularly fruitful.

10. The Group felt that the immediate aim of the work which the GATT might carry out in this field should be to render financial assistance more effective, by ensuring that trade aspects play their proper rôle in decisions in the field of planning and financing. As regards the central question of the rôle of GATT, no suggestion had been made to convert GATT into a lending agency, while on the other hand it was fully recognized that GATT had a useful and essential rôle to play in the trade-aid field, in bringing its expertise in the trade field to bear on aid programmes.

For the composition and terms of reference of the Expert Group see L/2080, paragraph 34.
11. As regards the question of establishing a legal basis in the General Agreement for the activities of the CONTRACTING PARTIES in this field, the Group recommended in its report that the Committee on the Legal and Institutional Framework should take the report of the Expert Group into account.

Committee III

12. A detailed account of work in progress in Committee III is given on pages 6-8 of document AC/8 which summarizes the position toward the end of 1963. Since that time Committee III has held a short meeting. The report on that meeting was distributed in document L/2181. Work of major interest to the Committee is referred to under points (a) to (e) below.

(a) Establishment of Trade Information and Trade Promotion Advisory Services

13. The major item on the agenda of the last meeting of Committee III was to examine, and take action on the report by the Group of Experts in the Field of Trade Information (COM.III/128), which had met from 3-5 February - following a recommendation by Committee III that such a meeting should be held.

14. Endorsing the recommendations of the Expert Group, Committee III unanimously recommended that the CONTRACTING PARTIES establish, at an early date, needed trade information services and trade promotion advisory services in the framework of GATT. This recommendation, together with a draft recommendation aiming at the more effective implementation of present notification procedures, considered essential for the efficient operation of the services, is before the CONTRACTING PARTIES for consideration and approval.

(b) Progress in the elimination of barriers affecting exports of less-developed countries

15. At its last meeting, Committee III noted that since its last report had been issued, progress had been made in the dismantling of barriers affecting exports of less-developed countries. A paper setting out in a summary form the progress made to date in the reduction or elimination of barriers on products examined by Committee III was distributed in document COM.III/119/Rev.1. Another paper of relevance in this context, containing a list of products in respect of which duties had been suspended by the EEC with effect from 1 January 1964, was circulated in document COM.III/130.

16. Import liberalization measures affecting products of export interest to less-developed countries - including the products not yet examined by Committee III, but added to the list of products which will be taken up - were notified by Austria (L/2118/Add.1), Federal Republic of Germany (L/1963/Add.1), Denmark (L/2142) and Japan (L/2096/Add.1).
(d) Examination of further products by Committee III

17. In preparation for the detailed examination of further products selected by Committee III, a comprehensive questionnaire has been circulated to all GATT countries. In this connexion it will be recalled that among the products to be taken up by Committee III some seventy-eight items (in terms of the Brussels Tariff Nomenclature) have been selected for priority study, with a view to extending, at an early date, the coverage of the Action Programme to these products. Work on this further list is in progress.

(e) Expanded Programme of development plan studies

18. With respect to the GATT programme of studies of development plans, work on which is in progress in the secretariat, Committee III decided at its last meeting to add Ceylon, Madagascar and Israel to the list of countries whose development plans will be studied (see COM.III/118 paragraph 12; L/2080 and L/2181).

Other matters

19. The Committee might wish to take note of a number of documents which have recently been issued in connexion with the work of Sub-Committee 1, namely AC/SC1/9 and AC/SC1/10.