I. General

1. The examination of measures relating to the promotion of exports from less-developed countries has for some time engaged the attention of Committee III. It is, however, only recently that the Committee has found it possible to discuss in detail, possibilities for action in this field which might be taken in the framework of GATT. In view of the large scope of the subject matter the Committee has, in the first instance and for practical reasons, concentrated on the examination of a concrete proposal for the establishment of an international trade information service in the framework of GATT which was submitted by Brazil. At the same time, the more general question of export promotion measures continues to be under examination in the Committee.

2. In taking up these questions, the Committee recognized that progress in this sector of its work and the adoption by the CONTRACTING PARTIES of efficient export promotion measures would be greatly facilitated by expert advice. It was felt, however, that it would be necessary to proceed on the basis of concrete proposals if full benefit were to be derived from a consideration of these matters at the expert level.

3. Taking account of the Committee's preparatory work relating to the proposed establishment of trade information services, Committee III agreed at its last meeting that it would be desirable for the CONTRACTING PARTIES to consider, on the basis of advice of experts, the establishment of such a service in the framework of GATT. The Committee recommended, therefore, that a meeting of experts in the field of trade information, to be nominated by governments, should promptly be convened. The terms of reference, agreed upon for the expert group, are as follows:

(1) "to advise the CONTRACTING PARTIES on the most efficient means of establishing and operating an international trade information centre within the framework of GATT;"
(ii) "to indicate work which the international trade information centre should undertake on a priority basis;

(iii) "to assess the financial implications of establishing and operating such a centre, account being taken of various alternative schemes;

(iv) "to explore, taking into account specific proposals submitted by governments, other measures in the field of trade promotion and production and marketing techniques which the CONTRACTING PARTIES and individual countries could implement to assist the less-developed countries in expanding their export earnings;

(v) "to report on the above to the Committee.

"In their work the experts shall take due account of the views of governments on this subject as summarized in COM.III/115, particularly paragraph 25 of that document, and of the discussion in the Committee on this subject, paragraphs 47-59 (in document L/2080) and as it relates to point (iv) of the summary of discussions, in paragraphs 37-46 (of the same document)."

4. To assist the expert group in its task, the present paper takes up the main elements relating to the proposal for the establishment of the trade information service and of the discussion thereof in the Committee in Section II below, and in Section III the proposals made relating to export promotion measures and marketing techniques generally which have been made so far.

II. Establishment of Trade Information Services in the Framework of GATT

COM.III/107, COM.III/108, COM.III/115, L/2080

5. When introducing the proposal for the establishment of trade information services in the framework of GATT, the representative of Brazil (see COM.III/93) explained that because of the lack of financial resources the less-developed countries were not in a position to maintain extensive trade information services such as those of the industrialized countries, a fact which placed exporters in the less-developed countries at a disadvantage, particularly when attempting to break into new markets. An international centre which could collect, collate, publish and disseminate trade information would serve to meet a real need of the less-developed countries in the field of export promotion without imposing a financial burden on these countries beyond their means. The industrialized countries themselves might be able to take advantage of such a service. In fact, the operation of such a centre was considered to enable them to effect considerable savings in that they could
draw on it for general information and could concentrate their own resources on meeting the specific needs of their own export trade, thus avoiding the present duplication of effort in the collection of general trade information. The proposal envisaged that at the outset the centre would be financed through contributions from governments, assessed on the basis of some equitable criteria. Eventually the centre is expected to become self-supporting on the basis of income from subscriptions.

6. To meet the needs of the less-developed countries in this regard it was suggested that work by the centre should cover a number of specific subjects namely:

- General market intelligence - including data on commercial policy measures
- Information relating to transport and communications
- Marketing facilities
- Other information of relevance to traders.

7. For disseminating the information four types of services were envisaged:

(a) an *encyclopedia* containing information of a type likely to require periodic revision to be published (a) in loose-leaf form and constantly brought up to date by means of loose-leaf revision sheets or (b) in bound volumes, every year or two, and brought up to date by periodic bulletins;

(b) *supplementary booklets* relating to specific countries, containing information of a more detailed and enduring nature;

(c) a fortnightly or monthly *magazine* carrying information of a non-recurrent type;

(d) a *correspondence facility* in response to specific requests for detailed data or explanations of national legal requirements by individual exporters or groups of exporters.

8. A number of alternative proposals for trade information services in the framework of GATT, which were submitted by other contracting parties when this proposal was discussed in Committee III, can be summarized as follows:

(i) Establishment of a documents centre at the GATT secretariat to overcome the lack of co-ordination among national and international trade information services.
(ii) Publication by GATT of a register of all sources of trade information.

(iii) Resuscitation of the GATT publication "International Trade News Bulletin" (discontinued in 1959). (For (i)-(iii) see L/1989, paragraph 69.)

(iv) Provision by governments of lists of relevant material available for other countries when they require some specific trade and market information (see COM.III/115, paragraph 6).

9. In order to obtain the views of governments on these proposals and to ascertain the need for such a service, both in general and as regards the various topics suggested for coverage by the centre, the secretariat circulated a questionnaire to all GATT countries. A summary incorporating the replies received from thirty-three countries was distributed in COM.III/115 which formed the basis of discussion on this item at the last meeting of Committee III.

10. Summarized briefly, the indications received from governments regarding the proposed establishment of trade information services in the GATT are as follows:

(a) Out of seventeen developing countries, which have to date replied to the questionnaire, fourteen indicated in one form or another that the provision of trade information services in the framework of GATT would be useful and would contribute to the expansion of their exports. Two other developing countries expressed interest in the establishment of a trade information centre but felt that the matter required further study. One developing country (see COM.III/115/Add.1) stated that there appeared to be no serious lack of information. The problem of collecting the type of information envisaged appeared to be small in relation to the other aspects of trade promotion. It was further suggested that the proposal for the establishment of the centre should be considered after the objectives of the GATT Programme of Action had been achieved.

1 Since that time additional replies have been received from Ceylon, Greece and from Pakistan (see COM.III/115/Add.1) and paragraph 10(a) below.

2 COM.III/115 supersedes COM.III/108 which contained replies from a sample of GATT countries to whom the questionnaire had originally been sent.
(b) A majority of the replies received from developed countries indicated that, although the types of services referred to in the questionnaire were already available to their exporters and that therefore their exporters had no need for such a service to be provided within the framework of GATT, they were prepared to consider favourably any sound scheme in this regard and to contribute to the work of the service or "centre" if it was generally felt that there was a need for the provision of trade and market information services within the framework of GATT.

(c) Several countries expressed doubt whether the usefulness of the proposed "centre" would justify its cost and whether such service could be effectively provided by a "centre" such as had been proposed.

(d) Four countries, the Federal Republic of Germany, New Zealand, Norway and Sweden proposed for consideration by the Committee alternative approaches which, they felt, might be more practicable for meeting the objective of promoting exports of less-developed countries.¹

11. From the more general comments, it appeared that a majority of countries felt that the following conditions would have to be met if trade information services in the framework of GATT were to be established.

(i) **Bias of information**
   The information service should meet a real need of the less-developed countries in the field of export promotion. It should also be of direct benefit to other countries participating in the work of the "centre".

(ii) **Scope of information services**
    Subjects to be covered must be carefully selected and restricted to a useful minimum.

(iii) **Avoidance of duplication**
     Duplication of work already done by existing institutions must be avoided.

(iv) **Quality of information**
     Information must be authoritative, complete, correct and up-to-date.

(v) **Methods of disseminating information**
    Information must reach interested parties in time.

(vi) **Cost**
     An undue financial burden should not be placed on governments.²

¹See COM.III/115, paragraphs 3-6.

²See COM.III/115, paragraph 27 for detailed comments relating to these six points, see paragraphs 26-36 of COM.III/115.
12. As regards the need for information on different subjects, a need for coverage of the subjects listed under (a) below was indicated by "many" countries, and as regards those listed under (b) below by "some" countries:

- (a) import licensing requirements; quantitative restrictions; exchange system, patent regulations; (b) information on national and regional income and purchasing power, and on market limitations and opportunities; internal taxes; sanitary control requirements; State-trading organizations; government and private tenders;

- (a) information on port and trading centres; (b) information on national transport systems and on international shipping and airlines (routes, addresses, freight rates, packing requirements);

- (a) information on trading structure, (for example, existence of futures markets); (b) international advertising media; trade fairs; company laws; national advertising media (rates and addresses); insurance availability and institutions; lists of exporters and importers;

- (a) documentation requirements; visa and inoculation requirements for visiting businessmen; treatment of samples for duty purposes; (b) consular formalities; weights and measures.

A more detailed account of the various types of information required by most countries or by many countries, and of the preferred media for their distribution is found in COM.III/115, pages 3-9. In particular see paragraph 23 in that document.

Indications of the likely demand for the different services publications of the centre (and for the correspondence facility), based on data submitted in this regard by twenty-four countries are as follows: encyclopedia

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1For the definition of "many" and "some" see COM.III/115 paragraph 8. The listing in paragraph 12 above does take into account also the reply by Pakistan and Greece (COM.III/115/Add.1) who also returned completed questionnaires.
approximately 1,210; supplementary booklets approximately 1,510; magazine approximately 2,790; correspondence facility approximately 1,270.¹

Summary of major points made at the last meeting of Committee III regarding the proposed establishment of the centre²

13. Discussion in the Committee showed that there was widespread feeling in the Committee that, while bearing in mind the objective of providing comprehensive trade information services and possibly market research facilities, it would be practical to proceed step by step and to concentrate, in the first instance, on the provision of trade information in the strict sense of the term.

14. It was suggested that to start with, the "centre" could publish data on commercial policy measures relating to products notified to Committee III as being of special export interest to less-developed countries.³

15. Steps suggested by the Committee for the establishment of a more comprehensive trade information service were: (i) the resuscitation of the GATT publication "International Trade News Bulletin", possibly in a modified form; (ii) the publication of a register of sources of trade information and (iii) the establishment of a documents centre in the GATT.

16. As information on various subjects proposed for coverage by the "centre" accumulated, the "centre" would be in a position to provide increasingly useful services, such as the provision of information under the "correspondence facility" for specific markets or commodities, as envisaged in the original proposal. Thereafter, in line with the progress made in collecting and processing trade data, the "centre" might proceed to the publication of magazines, any special booklets, and the proposed exporters' handbook or "encyclopedia".

¹See COM.III/115, Table 2 on page 10. These figures also take into account the submissions in COM.III/115/Add.1. The figures would be significantly lower if the return from Finland were excluded. Without Finland the figures would be (approximately) 710 for the encyclopedia, 1,010 for the supplementary booklets, 770 for the magazine and 270 for the correspondence facility. When discussing this matter, the representative of Brazil expressed the view that, except for the estimate provided by Finland, the estimates were on the low side, particularly the indications given in regard of the likely demand by private readers (L/2080, paragraph 58).

When assessing the likely demand for the different publications of the centre, consideration will have to be given to their proposed complementarity.

²This section reproduces - although in a somewhat different arrangement - the major points of discussion at the last meeting of Committee III as set out in Section VI:B of document L/2080.

³The scope of investigation of Committee III now extends to some 270 tariff headings in the Brussels Nomenclature. A complete list of these products is found in document Spec(64)6 and Addenda. Together, these products account for approximately three fourths of the total value of exports by less-developed countries to industrialized countries (excluding petroleum).
17. As regards market research activities by the "centre", it was felt that there was merit in concentrating on the more promising markets, including, however, those which could be opened up in the developing countries.

18. Several representatives indicated that their governments were prepared to supply the "centre" with data and studies of interest to exporters in less-developed countries, and to render assistance to exporters in less-developed countries in respect of market research projects which they might wish to undertake.

19. The Committee agreed that similar indications from other governments would be welcomed. Further, it was suggested that it might be useful to provide for the exchange of market research studies among different countries for their respective markets.

20. The Committee agreed that information on commercial policy measures should, ideally, be based on notifications from governments. One of the questions to be considered in establishing the "centre" would be to examine how the present notification requirements could be implemented more effectively and whether further notifications might be required for the efficient operation of the "centre". The desirability, both as regards reliability and cost, of obtaining material from official sources should not prevent the "centre" from using non-official sources of trade information if the use of such material seemed to be indicated in the interest of comprehensiveness and speed.

21. The Committee agreed that duplication of the work of other agencies should be avoided. It was pointed out, however, that although data were being published in respect of most of the subjects this did not necessarily mean that information was available to exporters in a readily assimilable form. The "centre" could provide an important service not only through publishing relevant trade information, but also by referring exporters to fruitful sources of trade information.

22. The representative of Brazil suggested that work by the "centre" on subjects requiring the collection and processing of large quantities of statistical data, such as data on the regional distribution of purchasing power, might usefully be done in collaboration with the United Nations technical services.

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1 For details regarding present notification requirements, see Annex I to this document.
23. The Committee agreed that, in addition to the specific proposal for the establishment of a "centre", the Expert Group should be free to take up related matters referred to it by the Committee, or subsequently advised to the secretariat by contracting parties.

24. The Committee considered that it would be useful in preparation of the meeting, if less-developed countries which had experienced difficulties in obtaining trade information would submit notes setting out in detail these difficulties, with a view to ensuring that effective solutions to such problems would rapidly be found.

III. Export Promotion Schemes and Marketing and Production Techniques

Document references: COM.III/91, COM.III/92, COM.III/102, COM.III/117, COM.III/122, AC/3, AC/W/2, L/1925, paragraphs 45, 46 and 50, L/2080, Section V.

25. Although the subject of export promotion measures generally, and of production and marketing techniques, has been on the agenda of Committee III for some time, specific proposals for action in this regard have emerged only fairly recently from the discussions in Committee III. Consequently, the preparatory work necessary for rapid action on these proposals is still at an early stage. There are, however, a number of concrete proposals which have been discussed in Committee III and have been brought to the notice of governments. Moreover, some of these proposals have been specifically recommended to the attention of the Expert Group. The proposals are set out in detail in the documents listed above. A short summary of the salient features of these proposals is given below.

26. One subject which was specifically referred to at the last meeting of Committee III as one of the matters which should be examined by the Expert Group are measures which might be taken to encourage the participation of less-developed countries in trade fairs in industrialized countries (L/2080, paragraph 38). A concrete proposal in this regard which is set out in a note by the Chairman of Committee III (COM.III/92) envisages inter alia the provision of assistance to less-developed countries in the construction of national stands at trade fairs and, where import restrictions are still in force, the granting of generous fair quotas to enable less-developed countries to secure the maximum benefit from participation in trade exhibitions. A further proposal contained in the note by the Chairman of Committee III envisages that industrial

1To date no such proposal (or communication) has been received.
countries might assist the less-developed countries in bringing to the notice of traders and consumers information on the types of products available from less-developed countries, for example, through the stimulus of discussions on radio or television with representatives of less-developed countries on the development plans of the latter countries. Further, space might be made available on special terms to the less-developed countries in government and trade publications as well as in the press, thus providing an opportunity for these countries to advertise their products.

27. In a paper submitted by Tunisia (COM.III/117), it was suggested that the creation of national or international services, to carry out research and give assistance in such fields as market studies, sales expansion, quality control, packaging and standardization, would be of considerable assistance to exporters in less-developed countries.

28. Other measures to which the Committee wished to draw the attention of the Expert Group, and obtain their advice on possibilities for action in the framework of GATT, are ways and means for rendering assistance to less-developed countries in the following fields:

- Preparation and launching of export promotion programmes;
- Market investigations;
- Adaptation of the products of less-developed countries to the requirements of industrialized countries;
- Sales techniques; and
- Establishment of export organizations.¹

In relation to the subjects listed above, contracting parties were invited to conduct surveys, analogous to the one undertaken by Sweden (COM.III/122), and to communicate the results of such surveys to the secretariat for processing (paragraph 40 of L/2080).²

29. A proposal by Israel, which was first elaborated in the Action Committee (AC/W/2), is also directly relevant to the work of the Group. In his proposal the representative of Israel suggested that national trade information centres

¹ In earlier discussion of this subject it was proposed that, when examining this matter, consideration should also be given to measures which would assist the less-developed countries in staffing export promotion services (L/1925, paragraph 50).

² It was also suggested that papers submitted in this regard would be placed before the Expert Group; to date no such communication has been received.
of industrialized countries should render export promotion services also on behalf of products of the developing countries. In this respect they should provide information to suppliers on trading opportunities in developed countries and to prospective buyers on new sources of supply in the developing countries. Furthermore, trade promotion activities such as trade fairs and trade promotion works should in future be arranged by developed countries not only in order to promote their own exports but with a view to helping developing countries develop their exports. Trade fairs, trade promotion weeks etc., should have special sections financed by the industrialized countries which are specially designed and specially intended for the promotion of the exports of the developing countries.

30. In addition, Israel has proposed that industrialized countries could make a positive contribution towards the expansion of exports of the less-developed countries by:

(i) the provision of export risk insurance by industrialized countries for exports from less-developed countries; and

(ii) the provision of export assistance funds by industrialized countries

(a) derived from customs duty receipts on imports from less-developed countries; and

(b) through contributions by exporters in respect of products exported to less-developed countries. (AC/3, paragraph 18; L/2080, paragraphs 43-46; and AC/W/2.)

31. As regards production and marketing techniques relating to products of interest to less-developed countries, the Committee has invited contracting parties, which have experience in providing assistance in this field, to submit papers on this subject. In this connexion the Committee has before it a paper submitted by the United Kingdom relating to the work of Marketing Boards in United Kingdom territories (COM.III/102).
ANNEX

NOTIFICATION REQUIREMENTS IN THE GATT

As a general provision, Article X of the General Agreement requires contracting parties to publish promptly, laws, regulations, judicial decisions and administrative rulings relating to duties, taxes or other charges, or relating to requirements, restrictions or prohibitions on imports or exports or on the transfer of payments thereof, or affecting their sale, distribution, transportation, insurance etc., as well as agreements affecting their national trade policies. Apart from this there are a number of particular notification requirements provided for the implementation of specific provisions of the Agreement. The following are the more important ones:

Quantitative restrictions

Under Articles XII:4(a) and XVIII:12(a), relating to the use of import restrictions for balance-of-payments reasons, a contracting party applying new restrictions or substantially intensifying restrictions, is required to furnish promptly detailed information to the Executive Secretary for circulation to the CONTRACTING PARTIES. Details of the notification procedure both for balance-of-payments restrictions and for residual restrictions are set out in BISD, Ninth Supplement, pages 18-20 (also see L/1518 and BISD, Eleventh Supplement, pages 206-213). Notification requirements exist also for measures imposed for the purpose of protecting new industries by developing countries under the provisions of Article XVIII:C and those imposed for emergency purposes under Article XIX. Under present procedures, there is, however, no notification requirement regarding changes in quantitative restrictions and other measures maintained under Article XI:2 (agricultural and fishery products) and Article XX (sanitary and veterinary regulations etc.,) and Article XXI (security and defence measures).

Import liberalization measures are regularly notified, in accordance with procedures evolved in this respect by the CONTRACTING PARTIES. Details of quota restrictions are to be made public and information on import licensing arrangements is to be provided to contracting parties requesting this information, by the country using this measure, in accordance with Article XIII:3.
Customs duties

Under the Agreement and under present procedures there exist no legal obligations for contracting parties to notify changes in customs duties, except for changes resulting from the modification of bound duties pursuant to Article XXVIII.

The official gazette in each country publishes the tariff and all amendments. Furthermore most countries publish and keep for sale bound volumes listing legal and applied rates. Loose-leaf editions are often available and a subscription service periodically provides pages for replacement containing all the recent amendments. However, these volumes are in the national language; very few countries publish translations. These, however, are available from the ICTB in Brussels which provides translations of the tariffs of member countries (which means the great majority of contracting parties to GATT) in English, French, Spanish, German and Italian. Supplements to these translations are circulated sporadically. As regards duties bound in GATT there is no up-to-date consolidated text; it is to be expected that each contracting party will provide consolidated schedules after the Kennedy Round. It should be clear, however, that the GATT bindings are not necessarily always equivalent to the rate actually applied: in most countries duties are suspended or temporarily reduced from time to time. There is at present no requirement for the notification of such action.

Subsidies and State trading-measures

Under Article XVI:1 of the General Agreement, contracting parties are required to notify the CONTRACTING PARTIES in writing of the extent and nature of subsidization measures maintained by them. Under Article XVII:4(a), contracting parties are required to notify the products which are imported into or exported from their territory by State-trading enterprises. (Defined in paragraph 1(a) of Article XVII.) At the twentieth session, the CONTRACTING PARTIES adopted new procedures relating to notifications of subsidies and State-trading measures (BISD, Eleventh Supplement, page 58; see also L/2038).

In addition to the procedures for notification set out above, special procedures have been evolved for the notification and consultation regarding barriers imposed or maintained on products examined by Committee III and covered by the Action Programme. Also, contracting parties have been invited by Decision of the CONTRACTING PARTIES of 7 December 1961 (BISD, Tenth Supplement, page 32) to notify any substantial changes in their agricultural policies so that, inter alia, the information assembled from past Committee II consultations can be kept up to date. Notwithstanding the existence of these
procedures and the fact that contracting parties, in many instances, supply information not covered by the specific notification requirements, the material made available to the secretariat at present is not sufficient to permit complete trade information services, on the topics suggested for coverage by the centre, to be based on official notifications alone. Even as regards tariffs, information other than in the language of the country concerned, is normally not available without some considerable time lags.