OUTLINE OF THE PROGRESS REPORT OF COMMITTEE III

The Committee has agreed on the five following sections of a progress report which will be drafted by the secretariat and circulated for comments from governments by the end of the month of June. These comments should reach the secretariat not later than 1 September for discussion at the meeting of the Committee which is scheduled for 11 September.

Part I: Introduction

Objectives of the work of Committee III and summary of the initial work programme as laid down in its first report (COM.III/1).

Description of the studies made, as well as the work which is still to be done with regard to the review of reports of the GATT Working Party on Commodities.

Part II: General approach to the problems

Reference to the general philosophy which has guided the Committee in its work and recapitulation of the Committee's findings and conclusions.

The general programme before the Committee and the urgency of finding ways and means to remove the obstacles to trade might be illustrated by the fact that: (a) most of the less-developed countries are facing balance-of-payments difficulties; (b) they generally require massive increases of imports for their economic development; and (c) they need both foreign assistance and additional earnings from exports.

Stagnation of trade of less-developed countries might affect: (a) the economic development and trade of the less-developed countries themselves; (b) the trade of the industrialized countries; and (c) world trade as a whole.

Part III: Procedure and results of the studies

During its previous meetings, the Committee considered the best ways of implementing its work programme, and it examined the progress achieved in the removal of barriers to trade in the individual countries. It undertook a review of the obstacles in two lists of commodities and products, and it is now preparing a study of a third list.
Description of the barriers (revenue duties and internal fiscal charges, preferential tariffs, import restrictions, state-trading practices, mixing regulations, etc.) which, in spite of being in some cases in accordance with the relevant provisions of the General Agreement, impede exports and consequently may have an inhibiting effect on the development of less-developed countries.

Three main categories of products have been examined: (i) tropical agricultural products and foodstuffs, such as cocoa, coffee, tea, vegetable oils, etc.; (ii) industrial raw materials, such as lead, copper, etc.; and (iii) manufactured goods such as jute manufactures, cotton textiles, or light engineering goods such as bicycles, sewing machines, etc.

Effects of these obstacles (a) on the trade in specific commodities; (b) on export earning capacity of less-developed countries; and (c) on their economic and commercial policy including forward planning.

Review by the Committee with regard to India, with special reference to the feasibility of higher export targets than those laid down in the Indian Third Five-Year Plan, given better facilities in the export field.

Part IV: Recommendations and achievements

Recommendations made by the Committee to the CONTRACTING PARTIES for reducing and eliminating the barriers to the export trade of less-developed countries.

Response by contracting parties to these recommendations and the observations made by less-developed countries as to the effectiveness of the measures taken so far.

Part V: Future work

The Committee should consider the practical suggestions which might be included in the report to be submitted at the nineteenth session of the CONTRACTING PARTIES and to the ministerial meeting to be held in November 1961.