Committee III - Expansion of Trade

EXPANSION OF TRADE OF LESS-DEVELOPED COUNTRIES

Programme of Action Proposed by Less-Developed Countries

1. Almost a year has passed since the contracting parties had before them the unanimous conclusions reached by the Ministers and adopted the declarations on the promotion of the trade of less-developed countries. This ministerial declaration was adopted formally as a basis for the future work of the GATT in this field. It was agreed that immediate steps should be taken to establish specific programmes of action and, where feasible, target terminal dates for the progressive reduction and elimination of barriers to the exports of less-developed countries.

2. The task of implementing the agreed conclusions was assigned to Committees II and III.

3. During the period of one year since the ministerial declaration, Committee III has met on several occasions. The latest report of the Committee is contained in document No. L/1859. The Committee has noted that no specific programmes of action have so far been established for following up the conclusions reached at the ministerial meeting. While recognizing that some slight advance towards relaxation of tariff and non-tariff barriers had been made by a few industrialized countries, the Committee emphasized that a wide gap still existed between intent and performance. The special group on tropical products which was expected to give priority treatment to certain products, has also failed until now to recommend positive measures on specific proposals submitted to it.

4. It is pertinent to point out that the tariff and non-tariff barriers to the trade of less-developed countries have been under continuous examination in the GATT during the last five years and especially since the publication of the Haberler Report. The decision to launch a concerted attack on barriers to the trade of less-developed countries was taken as early as the thirteenth session of the contracting parties. It was expected that the decisions taken at the ministerial meeting would give a fresh impetus to this effort and result in concrete measures which would usher in a new era in the trading relationships between the less-developed and the industrialized countries. The gap between the performance of the industrialized countries and the decisions taken at the ministerial meeting is therefore a matter of particular disappointment.

The following countries have put forward this proposal: Argentina, Brazil, Burma, Ceylon, Chile, Cuba, Ghana, Haiti, India, Indonesia, Israel, Federation of Malaya, Federation of Nigeria, Pakistan, Peru, Tanganyika, Uruguay, Yugoslavia.
5. The less-developed countries believe that solutions to the problems so far identified should not be delayed further. They would urge that, having regard to the progressive deterioration in the relative economic and trading position of the less-developed countries and the urgent importance of enabling these countries to increase and diversify their production and exports of both non-industrial and industrial items, the assurances given by the industrial countries should be translated into concrete action within a defined period of time.

6. Apart from the initiative taken by the United States in the Special Group on Tropical Products, the industrialized countries have not so far come forward with any specific programmes of action. The less-developed countries therefore submit that the following programme be adopted by the CONTRACTING PARTIES at their twentieth session:

(i) No new tariff or non-tariff barriers should be erected by industrialized countries against the export trade of any less-developed country in the products identified as of particular interest to the less-developed countries. In this connexion the less-developed countries would particularly mention barriers of a discriminatory nature.

(ii) Quantitative restrictions on imports from less-developed countries which are inconsistent with the provisions of the GATT shall be eliminated within a period of one year. Where, on consultation between the industrialized and the less-developed countries concerned, it is established that there are special problems which prevent action being taken within this period, the restriction on such items will be progressively reduced and eliminated by 31 December 1965.

(iii) Duty free entry into the industrialized countries shall be granted to tropical products by 31 December 1963.

(iv) Industrialized countries shall agree to the elimination of customs tariffs on the primary products important in the trade of less-developed countries.

(v) Industrialized countries should also prepare urgently a schedule for the reduction and elimination of tariff barriers to exports of semi-processed and processed products from less-developed countries providing for a reduction of at least 50 per cent of the present duties over the next three years.

(vi) Industrialized countries shall progressively reduce internal charges and revenue duties on products wholly or mainly produced in less-developed countries with a view to their elimination by 31 December 1965.
(vii) Industrialized countries maintaining the above-mentioned barriers shall report to the GATT secretariat in July of each year on the steps taken by them during the preceding year to implement these decisions and on the measures which they propose to take over the next twelve months to provide larger access for the products of less-developed countries.

7. The gap between the needs of less-developed countries and their current earnings from exports is so large that even the adoption of the measures outlined above may not be wholly adequate. The less-developed countries therefore urge that contracting parties should also give urgent consideration to the adoption of other appropriate measures which would facilitate the efforts of less-developed countries to diversify their economies, strengthen their export capacity and increase their earnings from overseas sales.

8. The less-developed countries proposing the programme of action outlined in the sixth paragraph are convinced that a decision by the CONTRACTING PARTIES on these lines would promote the aims of the United Nations Development Decade, contribute greatly to the realization of the recommendations adopted at the meeting of GATT Ministers and make for mutually advantageous co-operation in the field of trade between the less-developed and the industrialized countries.