FIRST REPORT OF COMMITTEE III ON EXPANSION OF TRADE

The Committee's terms of reference are:

To consider and report to the CONTRACTING PARTIES regarding other measures for the expansion of trade, with particular reference to the importance of the maintenance and expansion of export earnings of the less developed countries to the development and diversification of their economies.

The Committee held its first meeting in Geneva between 11 and 13 March.

The Committee agreed that the first session should be devoted to establishing a work programme which would be the basis for further and more detailed discussions. It was agreed that the work programme would consist of three parts.

I. Less developed countries should submit a list of primary and secondary products (including minerals and metals) and manufactured goods produced by them and in which they have an actual or potential exportable surplus. Each of these lists would define the scope of further studies, primary products and manufactured goods being dealt with on separate lines where necessary. Certain background information necessary for such studies could be collected along the lines set out in the Annex.

II. 1. Study of the background material collected:

(a) in order to decide what practical measures can be taken to reduce such obstacles to the maintenance and expansion of export earnings of less developed countries as are disclosed in the replies received.

(b) in order to examine the possibilities for and the advantages to trade of less developed countries of reductions in revenue and internal fiscal charges either through negotiations or through unilateral action by industrial countries.
2. Study of channelling expansion of existing industries or starting of new industries by less developed countries into directions where such countries will be economically efficient producers - listing a few such industries on the basis of raw material availability, feasibility of labour-intensive rather than capital-intensive techniques, etc., thus avoiding relatively inefficient use of capital.

3. Measures which might be taken by less developed countries with, where appropriate, technical assistance and advice from other countries and international organizations, in order:

(a) to improve their own production and marketing techniques;
(b) to adjust any of their internal policies, including trade control policies, which might discourage exports of their products.

4. Review of the Report of the GATT Working Party on Commodities, as it relates to the work of Committee III.

III. Review by the Committee of the above studies and assessment of further actions to be taken in conformity with the terms of reference.
ANNEX

A. What is the volume of:

(i) Imports
(ii) Domestic production
(iii) Domestic consumption
(iv) Exports

for each product?

B. Tariffs

What are:

(i) their levels?
(ii) their preferences?
(iii) any bindings relating to tariffs or preferential margins?

C. Quantitative Restrictions

(i) Is the product subject to import restriction by quantity or value?
(ii) If so, description of method used in restricting importation
    (individual licensing, quota limitation, or otherwise). Description
    of criteria or rules used in issuing licences or in determining size of
    quotas as the case may be.
(iii) Distinction, if any, in the treatment of imports from different
     sources. Where appropriate:
        (a) Are licences valid for all sources or for specified countries?
        (b) Is there a global quota valid for all sources without distinction? If not, how are quotas
            allocated to different countries or areas?
        (c) Are there any bilateral quota commitments which favour import from particular countries?
        (iv) Are there any other measures or arrangements tending to limit importation of the product (particularly from low-income countries)?

1 The secretariat will request information only to the extent that such data are not available from material already collected by other committees or working parties of GATT or publications of other international organizations.
D. **Revenue and internal fiscal charges**

(i) Are there revenue and fiscal duties and charges on this produce? If so are these duties and charges levied on the product or on goods manufactured from that product?

(ii) What are the levels of these duties and charges (incidence expressed as a percentage of the value of the primary product)?

(iii) What is the volume of revenue derived?

(iv) Estimates of effects on trade of such charges.

E. **State Trading and Monopolies**

(i) How are imports controlled?

(ii) How are imports treated in comparison with:

   (a) imports from other sources than under-developed countries?

   (b) domestic products?

(iii) Are different "mark ups" applied on products depending on the source?

F. Are there special measures (such as surplus disposal, export subsidies) to promote production and export of products which compete with the products produced by less-developed countries (including substitutes for such products). This question does not extend to any agricultural products dealt with by Committee II.