1. The following note on the meeting of the Working Party on the Tariff Study held on 25-29 October 1971 supplements the background information on this subject contained in COM.TD/2W/149.

2. The Working Party carried out the general analysis of industrial tariffs and trade as well as preliminary analyses of the tariff and trade situation in each of twenty-three major product categories. The document containing the general analysis has already been transmitted to the Committee on Trade in Industrial Products and will be presented to the twenty-seventh session. This general analysis is also preliminary in the sense that it is to a large extent based on trade returns of 1967 and will, in the next few months, be updated to 1970.

3. Chapter 5 of the general analysis is devoted to the imports from developing countries and the tariffs affecting them. Three significant conclusions can be drawn from this chapter. First, imports from developing countries under the eleven major tariffs studied still consist predominantly of raw materials and are concentrated under a relatively small number of BTN headings. They amount in total to $21.7 billion and 84 per cent of this amount, or $18.3 billion, entered under only twenty-one BTN headings. Crude petroleum, BTN 27.09, constitutes nearly one half of total combined imports from developing countries. The twenty-one BTN headings of major importance for developing countries are distributed by stages of processing as follows: nine covered raw materials, seven, semi-finished manufactures and five, finished manufactures.

4. Second, the averages of tariffs applicable to these trade flows can be analyzed from two viewpoints. From an analysis of BTN headings of major importance to developing countries in the context of the individual product categories and sub-categories, it was found that, in most cases, the tariff averages of such BTN headings are lower than the tariff averages for the category or the sub-category as a whole. Exceptions to this general finding occurred only in the textile category. When, on the other hand, imports of raw materials are disregarded, and BTN headings and product sub-categories containing substantial imports from developing countries are seen in the context of industrial imports in general, the tariff averages pertaining to such BTN headings and categories are, in most cases, higher, often substantially higher, than the corresponding tariff averages relating to all semi-manufactures and finished product imports.
5. Third, with regard to preferential trade, it was noted that the twenty-one BTN headings mentioned above cover a larger proportion (85 per cent) of combined most-favoured-nation imports from developing countries than of combined preferential imports (77 per cent), or in other words, that preferential imports from developing countries are more diversified in their product composition than imports entering on a most-favoured-nation basis.