The development of the Third World countries is one of the most racking problems of the second half of this century. The contracting parties to GATT have realised this and have adopted, successively, several important provisions in that regard - Part IV, generalized system of preferences, enabling clause - that have released the developing countries from many obligations established by the General Agreement, while the industrialized countries have taken on additional commitments. Quite clearly, this special and differential treatment has been significant for the economic advancement of the developing countries, many of which are today importantly placed in an increasing number of producing sectors.

The fact remains, nevertheless, that prospects for trade relations between developed and developing countries are not fully satisfactory. Intensification of North-South trade and liberalization of that trade by essentially unilateral methods are threatening to slacken. Closer integration of the developing countries in international trade, on more adequate terms, accordingly seems essential and urgent in order to allow progressive and substantial improvement in North-South economic relations which is in the interest of all the trading nations of the world. Indeed, trade and the earnings it generates are largely decisive for economic growth and better living standards in the developing countries. Conversely, the importance of these countries as markets for the developed countries has been growing steadily in recent years. As a result the economic and commercial interdependence between developed and developing countries is increasing and should be taken into account in the contractual framework in order to guarantee more equitable sharing of the responsibilities incumbent on all countries in this area.

GATT should undertake this updating exercise. In this respect, the Ministerial meeting scheduled for November affords an auspicious occasion for the contracting parties to show their resolve to strengthen effective and constructive co-operation with a view to ensuring a more adequate balance among themselves. Their effort should aim, in particular, at two main objectives, which are in fact closely linked:
- to reinforce the multilateral and contractual system governing North/South trade in respect of discipline in maintaining and improving access to the markets of developed countries with a view to establishing more stable conditions for the exports of developing countries, conducive to implementation of their development plans;

- to improve transparency of import régimes and access to the markets of developing countries so that, by constantly participating in progressive attainment of the fundamental objectives of the General Agreement, these countries can contribute to create conditions permitting better justification for the developed countries of the advantages they grant and the consequent structural adjustments needed in their economies.

II

In the light of the foregoing considerations, it seems highly desirable that the Ministers should give a new orientation to the multilateral contractual framework governing trade between developed and developing countries. To meet the justified aspirations of all contracting parties, this orientation should include the following elements:

1. Confirmation of Part IV of the General Agreement and in particular the commitments in it to refrain from introducing new customs duties or non-tariff barriers on products exported by developing countries, except when such measures are taken consistently with the relevant GATT rules. It would be recognized simultaneously that economic development is an evolving and dynamic process. Consequently, the developing countries would undertake to open up their markets progressively in step with the rate and progress of that process in each of them, and to make their trade régimes more transparent in accordance with the duties and obligations deriving from the General Agreement.

2. Acceptance of relevant and more adequate rules with a view to effective negotiations between developing and developed countries, including in particular:

(a) a definition of the particular nature of the concessions that could be recognized and exchanged. In this connection it might perhaps be useful to revert - and spell out more clearly - some ideas already mooted on the occasion of the Tokyo Round (framework) and to envisage for example:

- on the part of industrialized countries, bindings at preferential rates to be applicable only to imports from developing countries which have negotiated, imports from the others being treated on the terms established under the GSP (these bindings could be limited in time and/or become effective on certain negotiated conditions);
- on the part of developing countries, tariff reductions and/or bindings, with elimination of non-tariff barriers, applied on an MFN basis and taking effect either immediately or subject to certain conditions.

Any conditions regarding entry into force would be negotiated case by case:

(b) the modalities and/or a general time schedule for integrating concessions negotiated in this way in the general régime applied under the GATT (MFN) so that in the long term the latter would retain its unitary vocation.

3. Launching, as early as possible, of negotiations in which all interested countries - whether developed or developing - could participate. Through such negotiations one could in particular take up the problem of tariff escalation in cases where it causes difficulties for developing countries.

4. The Committee on Trade and Development could be given responsibility, inter alia:

- for overseeing implementation of the commitments entered into by developed and developing contracting parties;

- for overseeing the course of the negotiations and giving them any additional impetus that might be needed.