STATEMENT MADE BY MR. GUNNAR LANGE, MINISTER OF COMMERCE, SWEDEN,
ON 17 MAY 1963

Much to our regret very limited results have been achieved so far in respect of the resolution regarding the reduction or elimination of the barriers to trade of the less-developed countries adopted by Ministers in 1961. Since then a Programme of Action has been submitted by these countries. I would like to start with a few comments on the proposals contained therein.

An important part of the Programme deals with the question of duty-free entry for tropical products. Sweden has stressed on earlier occasions that internal taxes and duties on such products should be removed. Taking into account that such a tax is levied in my country only on coffee and that our import duties on tropical products are moderate we have not felt that isolated Swedish action would result in any marked increase of consumption. This consideration has also been based on the fact that elasticity of demand in Sweden for these products is limited. Let me add that a possible price-stimulating effect of such an isolated move could hardly be more than marginal. A concerted action by all or most industrialized countries would on the other hand undoubtedly give good results.
Now we are informed of the intention of the EEC countries to lower unilaterally their customs duties on some tropical products including coffee. I am glad to say that the Swedish Government has announced its intention to introduce a bill to the Swedish Parliament to abolish its internal tax on coffee. This would imply a real sacrifice for the Swedish Treasury. It will leave us without internal taxes on tropical products.

As regards our tariffs on cocoa, tea and coffee, we would be prepared to abolish them in a concerted action with important trading nations. On tropical timber we do not apply any import duties.

Let me add a few words on commodity agreements. As we have shown by adhering to several commodity agreements we are keenly aware of their importance.

Turning to the other parts of the Action Programme I am prepared to endorse the comments made by industrialized countries - or in some instances by a majority of industrialized countries - as they have been spelled out under the different headings in the agenda.

Sweden accepts the comments on standstill.

We do not apply any quantitative restrictions on imports and it seems highly desirable to fulfill the objective that these restrictions in different countries which are inconsistent with the provisions of the GATT be eliminated within a period of one year.

On the whole, my country does not apply any customs duties on primary products dealt with under point IV, which is primary products important in the trade of less-developed countries. It is my hope that such duties will be abolished also in other countries, at the latest within the framework of the proposed tariff negotiations.

The importance to less-developed countries of seeing an expansion of their exports of semi-processed and processed products as one element in diversifying their economies has been recognized on many occasions in the GATT. Obviously there are special well known problems here for industrialized countries which might merit more serious and concrete attention in GATT at this stage. As regards the forthcoming tariff negotiations Sweden nevertheless considers the possibility not to include any such products on its initial exception list.

In addition to the Action Programme two suggestions have been put before this meeting, one regarding studies of trade and aid relationships in individual countries and another relating to the need to extend the authority of GATT in connexion with the work of expanding the trade of less-developed countries. These two suggestions seem to be well in line with the deep interest taken by the Contracting Parties in the problems of the less-developed countries. I for my part wholeheartedly support that the two proposals just referred to be adopted by Ministers.
You will find from my short remarks that the Swedish Government is well aware of the serious situation that is facing the less-developed countries. We are prepared to play our part in a way fully consistent with the liberal and outward-looking policies which have always been applied by my country. As you will have noticed this is in harmony with views already expressed in this debate by previous spokesmen for the EFTA countries.