COMMITTEE ON TRADE AND DEVELOPMENT TAKES DECISIONS ON ITS PROGRAMME OF WORK

On 8 February 1965 the Contracting Parties took formal action to add a new Chapter - Part IV - to the General Agreement, comprising three new Articles relating to the trade and development problems of the less-developed countries. At the same time the Contracting Parties set up appropriate institutional arrangements - the Committee on Trade and Development - to keep under review the implementation of the provisions of the new Chapter. This Committee has taken over the work done hitherto by Committee III of the Trade Expansion Programme and the Action Committee.

During the course of the twenty-second session of the Contracting Parties in March 1965 the Trade and Development Committee held several meetings and at the close of the session the Contracting Parties agreed to a series of practical steps which the Committee and its subsidiary bodies will take, without delay, in tackling specific aspects of the trading needs and problems of the developing countries.

Reporting procedures. In essence, under the terms of the new Chapter, contracting parties undertake, to the largest extent possible, (a) to erect no new barriers to the trade of the developing countries, (b) to give high priority to the elimination of existing barriers and (c) if it is considered impossible to take this action, to hold consultations as to how best these difficulties can be overcome.

The Contracting Parties also undertake to collaborate in various other measures bearing on the trade and development problems of less-developed countries. Accordingly, one of the first tasks to which the Committee addressed itself, was to draw up procedures which would enable it to keep under review the implementation of the provisions in the new Part IV. In this connexion, the Committee also decided to establish a Group to assist in identifying products of interest to less-developed countries, with a view to providing guidance to contracting parties in the application of the above-mentioned undertakings.

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Development plan studies. In 1963 Ministers endorsed the policy of GATT in undertaking studies of individual national development plans, with the general objective of developing the export potential of less-developed countries. The primary objective of the examination is to bring out such elements in the plan as the rôle of foreign trade, foreign trade earnings, commodity projections and prospects in foreign markets. At present secretariat studies of the development plans of Kenya, Uganda and Nigeria are being completed. The Contracting Parties decided that each study of a development plan, when completed, should be examined by an Expert Group, with a view to analyzing (a) the trade and aid relationship in the plan and (b) the rôle of the export sector in the development programme. It is expected that the Group will take up the plans of Kenya, Uganda and Nigeria for study during May 1965.

International commodity problems. The Trade and Development Committee decided to establish a Working Group to deal with international commodity problems. On the basis of specific proposals, the Group will set forth the measures to be taken (a) to obtain stable, equitable and remunerative prices for exports of the primary products of particular interest to less-developed countries and (b) to provide improved and acceptable conditions of access to world markets for such products. The Group will also consider specific proposals looking towards effective and continuous co-operation between producers of synthetic and natural products, with a view to making the most efficient use of natural and synthetic resources.

Amendments to the General Agreement. Notwithstanding the addition of the new Part IV of the GATT, on Trade and Development, it has been recognized that the question of amending certain GATT Articles (Articles XVIII and XXIII) with a view to meeting certain special needs and problems of the less-developed countries should be examined. A Working Group on Legal Amendments has therefore been created, with appropriate terms of reference.

Preferences. The Committee on Trade and Development recognized that, as a matter of practical convenience, it was desirable to distinguish between the two aspects of the problem of preferences, namely, preferences granted by industrialized countries to less-developed countries, and preferences exchanged between less-developed countries. It was therefore agreed to set up two separate Working Groups. The first will examine proposals submitted for the extension of preferences by industrialized countries to less-developed countries. The second will examine the problems involved in the expansion of trade between less-developed countries, with particular reference to the rôle of preferences between less-developed countries in promoting such trade.

Assistance in export promotion. Since 1 May 1964 the Trade Promotion and Trade Information Centre has been in operation. On the basis of a report by an Expert Group the Trade and Development Committee agreed to an expansion of the Centre's activities and a corresponding strengthening of its staff establishment. The Committee considered that the activities of the Centre since its inception had given clear evidence of the great value of its activities to the less-developed countries. The Committee agreed that, in future, increased emphasis should be placed on trade promotion activities.
Residual restrictions affecting products of export interest to less-developed countries. A Working Group was established to make recommendations to the Committee on Trade and Development in regard to all possible action to be taken to secure the elimination of residual import restrictions being maintained on the trade of less-developed countries, inconsistently with the provisions of the GATT.

The Groups and other subsidiary bodies referred to above will hold meetings in April, May and June, prior to the next meeting of the Committee on Trade and Development to be held at the end of June.