At the meeting of the Committee on Trade and Development on 8 November 1971 the following statement was made by the representative of the EEC, for the information of the contracting parties.

In the policy line which the European Economic Community pursues vis-à-vis the developing countries, 1971 is the most significant year for the special effort which the Community has been making since 1958, to the fullest extent of its possibilities and the means at its disposal, in order to ensure better possibilities of access to its markets for developing countries.

By virtue of its character and scope, the most important event of 1971 has been the implementation, on 1 July 1971, of the Community's generalized system of preferences. The idea launched in GATT in 1963 by the Ministers of the Community and of the associated countries has thus become reality. It is still too early to evaluate in terms of statistics the effects of the Community's system, which was the first to be implemented and is only four months old. But its implementation is being followed very closely, its positive effects are apparent in trade, and we know already that the balance sheet covering the first six months of implementation will yield very interesting indications. In any case, these indications encourage the Community to pursue its action in this direction despite the difficulties and upheavals at present emerging in the international economic situation. These indications also confirm that the Community's realistic approach which characterizes its generalized system of preferences is a valid one. As the beneficiary countries are certainly aware, the system has been showing for four months that its operation is correctly applicable.

The second particularly significant measure introduced by the Community in 1971 coincided with the entry into force of the Second Yaoundé Convention on 1 January 1971. On that occasion the customs duties were entirely suspended on thirteen typical tropical products, and were substantially reduced on fifteen other such products. These measures affected three major tropical products in particular: unroasted coffee, cocoa beans and palm-oil on which the duties have been lowered. The measures affect imports representing a total value of $718 million from developing countries not associated with the Community. Green coffee alone, on which the 9.6 per cent duty has been lowered to 6 per cent, represents for these same countries an import value of $531 million; and the reduction in duty from 9 per cent to 6 per cent on crude palm-oil affects imports to a value of $25 million from these countries.
The list of miscellaneous tariff suspensions for 1971 includes 117 tariff lines (101 extensions and sixteen new suspensions). The list includes many products of export interest to developing countries.

The zero-duty tariff quota opened by the Community for handicrafts, which represents an aggregate value of 5 million units of account, was extended to ten additional products in 1971, bringing the total number of products concerned to twenty-six. In addition, after negotiations with the Community, in 1971 five new countries acquired the right to benefit under these quotas, bringing the total to seven developing countries. Furthermore, two new zero-duty tariff quotas, each representing a value of 1 million units of account, have been opened for 1971 in respect of woven fabrics of silk or silk waste, and cotton fabrics, woven on hand looms.

The final duty rate resulting from the reductions granted in the Kennedy Round was made effective as from 1 January 1971 for sixteen new tariff headings in order to take account of the special interest of these products for certain developing countries, and in response to their request. This accelerated implementation follows on that already announced in 1970 for the same reasons in respect of twenty-four tariff headings.

Lastly, the Community notes with satisfaction that the growth rate of exports to its market from developing countries reflects the concrete and cumulative effects of the special liberalization measures taken by the Community in the past thirteen years in respect of products of particular interest for the economic development of those countries. The most recent trade statistics still show the same positive trend. Imports by the Community from developing countries other than those maintaining preferential relations with it showed an increase of 14.7 per cent in 1970 over the preceding year, reaching a total of $10,500 million (not including petroleum products). In comparison with the first six months of 1970, imports from those countries in the first half of 1971 (again not including petroleum products) showed an increase of 24 per cent. On the same country and product basis, the Community's trade deficit vis-à-vis these countries increased by 22 per cent in 1970 in relation to the preceding year. In order to situate these figures appropriately, one need merely note that total imports by the Community in 1970 were 16 per cent above the 1969 level, and that the corresponding increase in aggregate imports from the developing countries was by 13 per cent.