MINUTES OF THE MEETING OF THE INFORMAL GROUP
OF LESS-DEVELOPED COUNTRIES ON 5 OCTOBER 1966

Prepared by the Secretariat

1. The forty-seventh in a series of weekly meetings of the informal group of less-developed countries in GATT was held on 5 October 1966, under the Chairmanship of H.E. Dr. José Antonio Encinas del Pando, Ambassador of Peru. The meeting was attended by the representatives of Argentina, Brazil, Chile, Cuba, Ghana, India, Indonesia, Israel, Nicaragua, Nigeria, Pakistan, Peru, Spain, Trinidad and Tobago, United Arab Republic, Uruguay and Yugoslavia.

2. The group addressed itself to the following matters:

- participation of developing countries in the Kennedy Round;
- setting of suitable dates for the meetings of governmental experts and Committee on Negotiations Among Less-Developed Countries (see paragraphs 9 and 10 of INT(66)485/Rev.1).

Participation of developing countries in the Kennedy Round

3. At the invitation of the Chairman, the Deputy Director-General addressed the group on the current status of the Kennedy Round with particular reference to the work of the Group on Tropical Products and the Sub-Committee on the Participation of Less-Developed Countries. In outlining the activities of these two bodies, he stated that the immediate task of the Group on Tropical Products was to finish the first examination of offers which had been tabled in July. This exercise had not been completed because offers by some major participating industrial countries had not been received. Some offers were still outstanding from the European Economic Community (no offers had been received from the EEC, for example, on sugar, vegetable oils and tobacco). Items to be discussed further by the Group on 5 October would be limited to tropical timber and certain commodities not covered by the Group on Cereals. The Group would no doubt wish to hear the intentions of the EEC and others who had not made offers in the remaining areas, and would then proceed with the organization of its future work.

4. As to what would be the best working procedures for the Group to pursue when the first examination of offers had been completed the Deputy Director-General considered that it would be undesirable to have hard and fast procedures or a heavy and time-consuming machinery. At the present stage discussions relating to
certain products might be left to small informal groups comprising principal importing and exporting countries, such as had been the practice in regard to other areas of discussion in the Kennedy Round. Such groups had not been formally or officially constituted but had come into existence by necessity because the principal parties had felt that there was a need for informal bilateral talks in small groups. This procedure was particularly suitable in the tropical products field, in view of certain delicate problems involved such as those arising from existing-preferential schemes. There were also areas where talks between interested exporting less-developed countries themselves might be helpful in harmonizing their efforts and finding common grounds.

5. With respect to the work of the Sub-Committee on the Participation of Less-Developed Countries, the Deputy Director-General recalled that five questions had been identified as of major importance to less-developed countries. (See TN.64/80 paragraph 1). Apart from point (d) relating to tropical products which had been dealt with, and point (e) relating to compensation for the loss of preferences consequent upon reductions in most-favoured-nation rates, which might profitably be left for the final stages of the trade negotiations, the other three points might be briefly reviewed. As regards point (a) the elimination of items of interest to less-developed countries from the exceptions lists, this was at the present stage mainly a matter of bilateral negotiations between the countries concerned. It was true that less-developed countries had submitted lists of products of export interest to them in the context of the negotiations as well as in other contexts, but the time had come where it would be advisable for less-developed countries to define priorities and to separate items of prime importance from those of only minor or potential interest. The same was true with regard to points (b) reductions greater than the linear cut, and (c) advance implementation; it was essential that the developing countries provide more specific information as to the items on which such action was desired so that the Sub-Committee was confronted with concrete proposals.

6. The Deputy Director-General expressed the view that while these five points were admittedly of importance, the developing countries' attention might perhaps also be focused on another problem immediately affecting their interests. For in the process of balancing their mutual offers some industrialized countries had begun to consider the possibility of withdrawing some of the offers at present "on the table"; in the industrial sector to be covered by the linear cut, new items might be added to the exceptions list. Developing countries would thus be well advised to watch their interests and ensure that involvement of their export products was kept to a minimum. With a view to facilitating the task of the developing countries in the negotiations, the secretariat was arranging to circulate to developing countries a comprehensive list of products covered, on the basis of the present offers, by the linear reduction, which might be useful to developing countries in evaluating the benefits they would derive on the basis of the present offers.
7. In concluding his statement, the Deputy Director-General remarked that under the rules governing the participation of less-developed countries in the Kennedy Round, although there was no question of reciprocity from developing countries, they were required to make contributions to the objective of the negotiations, and to that end to submit statements by a certain date. He urged those less-developed countries which had not submitted their statements of contributions to do so as early as possible.

8. In response to a question concerning the most appropriate means for ensuring that the urgent problems of less-developed countries would be accorded priority in the Kennedy Round, the Deputy Director-General stated that there was clearly no single means by which the desired results could be achieved. It had to be a combination of bilateral talks and multilateral action. Any multilateral discussion should not have the effect of reducing the rhythm of bilateral talks which were in progress for the present. As for the suggestion that the secretariat should organize bilateral talks between interested less-developed countries and industrial countries, the Deputy Director-General stated that the secretariat was always ready to render such assistance as might be required and that this could best be discussed and agreed upon at the next meeting of the Sub-Committee.

9. In reply to a question whether an accelerated implementation of tariff reductions would involve some legislative action on the part of industrial countries the Deputy Director-General stated that, as far as known, with the exception of one industrial country, all developed countries participating in the negotiations already possessed legal authority to grant concessions and to apply them at any time they wished. The matter might be probed into with a view to finding out the feasibility for that country to go along with other industrial countries. With regard to certain proposals being discussed elsewhere relating to "special tariff treatment" to be applied on a "temporary and degressive" basis in conjunction with progressive reductions of most-favoured-nation rates, the secretariat was aware of these discussions and was following developments which might turn out to be extremely important at a later stage.

10. In response to a request concerning quantitative restrictions, the Deputy Director-General stated that information would be provided in suitable form for reference by developing countries in evaluating the benefits accruing to them in the Kennedy Round negotiations.

11. The group thanked the Deputy Director-General for his frank and clear statement and expressed appreciation for the various suggestions put forward.

12. Members of the group commented on the problem relating to the proposal to compensate less-developed countries for the loss of existing preferential benefits as a result of the introduction of tariff reductions. One member recalled that
the matter had already been discussed on many occasions with the industrial countries and that the reaction of the latter had been that compensation should be sought from those countries which were to benefit from the reductions. Another member suggested that consideration should first be given to the question whether less-developed countries were in a position to forego the existing preferences and if so what they would receive in return. Concerning the possibility of making tariff cuts deeper than 50 per cent, a member suggested that it would be important to have an evaluation in concrete terms of benefits which would be derived from such reductions.

Suitable dates for the meetings of the governmental experts and of the Committee on Negotiations Among Developing Countries

13. The group took up the discussion of the question of establishing most appropriate dates for the meetings of governmental experts and the Committee on Negotiations Among Developing Countries. It was agreed that the Group should take up this question at a later date, preferably after 15 October by which time requests lists should have been received from some contracting parties.

14. Referring to the standard form of request list (page 4 of IDC/N/46) several delegations pointed out that owing to the very limited information available on the import régimes and tariffs of other less-developed countries, it would not be possible for them to submit their requests lists by 15 October with all the necessary data called for in the form. They might submit preliminary requests lists containing only an indication of the products on which concessions were desired, to serve as a basis for exploratory talks among governmental experts before compiled requests lists could be submitted.

15. Speaking at the request of the Chairman, Mr. Mathur, Assistant Director-General, explained that the form on page 4 of IDC/N/46 had been drawn up in terms of paragraph 5 of the suggested procedures for negotiation between less-developed countries (INT(66)435/Rev.1), which provided for the exchange of requests lists after exploratory talks had taken place which should have enabled the exchange of information necessary for the drawing up of the lists. Requests need to be precise in order to enable concrete negotiations to take place. Further, other participating countries should know what each country was requesting of the other. Following the tabling of requests lists, the meeting of governmental experts could serve to provide any additional precision on the requests and to enable each country from which concessions were requested to give some preliminary indication of the range of possibilities which it visualized in relation to those requests. In the present circumstances when evidently no explanatory talks had taken place, it should be useful for each participating country to give at least the information required for the first two columns of the form. The missing elements in the forms could be supplied at a later stage.
16. It was suggested in the group that the secretariat might be in a position to assist in providing information on the present rates of duty and import régimes. The Assistant Director-General stated that the secretariat would, of course, be happy to render assistance to the delegations concerned to the best of its ability.

17. Attention was drawn to the next meeting of the Committee on Trade and Development to be held on 18 October at which the question of the expansion of trade among less-developed countries would be taken up. The group agreed that it would be appropriate if the Chairman of the informal group were to inform the Committee, in general terms, of the progress which had been made in the group in arranging negotiations among developing countries.

18. The group agreed to hold its next meeting on Monday, 17 October at 9:30 a.m. in Salle XV in the Palais des Nations, Geneva.