GENERAL AGREEMENT ON TARIFFS AND TRADE

Committee III - Expansion of Trade

OUTLINE OF THE REPORT OF COMMITTEE III

Note by the Chairman

In order to facilitate discussions at the forthcoming meeting of Committee III, concerning the implementation of its work programme, the Committee may wish to consider the form and contents of a progress report, and instruct the secretariat to draw up a draft on the basis of the five sections listed below:

Part I

Objectives of the work of Committee III and summary of the initial work programme as laid down in its first report (COM.III/1).

Description of the studies made, as well as the work which is still to be done with regard to the review of reports of the GATT Working Party on Commodities.

Part II

Reference to the general philosophy which has guided the Committee in its work, and recapitulation of the Committee's findings and conclusions.

The general programme before the Committee and the urgency of finding ways and means to remove the obstacles to trade might be illustrated by the fact that: (a) most of the less-developed countries are facing balance-of-payments difficulties; (b) they generally require massive increases of imports for their economic development; and (c) they need both foreign assistance and additional earnings from exports.

Continuing stagnation of the export trade of less-developed countries might affect: (a) the economic development and trade of the less-developed countries themselves; (b) the trade of the industrialized countries; and (c) world trade as a whole.

Part III

During its previous meetings, the Committee considered the best ways of implementing its work programme, and it examined the progress achieved in the removal of barriers to trade in the individual countries. It undertook a review of the obstacles in two lists of commodities and products, and it is now preparing a study of a third list.
Description of the barriers (internal taxes, tariff differentiation, high tariffs, quantitative restrictions) which may be in many cases in accordance with the relevant provisions of the General Agreement, but which have an inhibiting effect on the development of the less-developed countries.

Three main categories of products have been examined: (i) tropical agricultural products and foodstuffs, such as cocoa, coffee, tea, etc.; (ii) industrial raw materials, such as lead, copper, etc.; and (iii) manufactured goods such as jute manufactures, cotton textiles, or light engineering goods such as bicycles, sewing machines, etc.

Effects of these obstacles on the trade of specific commodities which might force less-developed countries to concentrate upon an import-saving, economic and commercial policy, rather than on an expansion of their exports.

Findings of the Committee with regard to India and explanation of the modest export targets laid down in the Indian Third Five-Year Plan.

Part IV

Recommendations made by the Committee to the CONTRACTING PARTIES for reducing and eliminating the barriers to the export trade of less-developed countries.

Response by contracting parties to these recommendations and the observations made by less-developed countries as to the effectiveness of the measures taken so far.

Part V

The Committee should consider the practical suggestions which might be included in the report to be submitted at the nineteenth session of the CONTRACTING PARTIES and to the ministerial meeting to be held in November 1961.