Committee on the Legal and Institutional Framework of the GATT in Relation to Less-Developed Countries

PROPOSALS BY THE DELEGATION OF JAMAICA

I. Reciprocity in tariff negotiations

While the CONTRACTING PARTIES have recognized in principle that less-developed countries should be exempted from the obligation to grant tariff concessions of equal magnitude in tariff negotiations with industrialized countries, the Jamaican delegation is of the view that a specific rule should be inserted in the General Agreement in order to codify this principle.

II. Protection of established industries under Article XVIII

Article XVIII sets out in detail the conditions and circumstances under which less-developed countries may deviate from the normal rules and procedures of GATT in order to encourage economic development with respect to the establishment of new industries. It is the view of the Jamaican delegation that provisions should be added which will allow less-developed countries to deviate from GATT rules with respect to industries which are being developed or reorganized, if this becomes necessary in order to implement programmes and policies of economic development with an aim to raise the standard of living.

III. Simplified procedures for application of Article XVIII

The procedures for applying measures under Article XVIII should be simplified for the less-developed countries in accordance with the objective and scope of this Article. The present cumbersome consultation procedure, before such measures can be applied, should be eliminated. Less-developed countries should have the right to apply the protective measures permitted under Article XVIII, provided they are duly notified to GATT.

IV. Protective measures by industrialized countries in favour of less-developed contracting parties

In view of the recognized necessity for a sustained expansion in the export earnings of the less-developed countries, industrialized contracting parties should be entitled by a new provision to deviate from the rules of GATT in favour of less-developed countries by applying non-tariff measures in order to protect export outlets in their markets for particular products on which the economy of less-developed countries largely depends, if in the absence of such protection the export earnings of the less-developed countries would be adversely affected.
It is the considered opinion of the Jamaican delegation that this rule would be fully consistent not only with the whole underlying philosophy regarding the strengthening of export earnings of less-developed countries as outlined at the last ministerial meeting, but also with the spirit of Article XVIII as it is extending the permitted protection in the home market of a less-developed country to its external market in the case of a particular product of marked weight for the sustained development of its economy.

V. Protection of the processing industries of less-developed countries

In the interest of a rapid and sustained expansion in the export earnings of the less-developed countries and the furtherance of their development policies the Jamaican delegation has the view that in accordance with the declaration of the ministerial meeting concrete measures should be adopted to terminate the discrimination applied presently by tariff and non-tariff devices of industrialized countries against the processing of primary products for export by less-developed countries. While the question of tariff discrimination between raw materials or semi-finished products on the one side and finished products on the other side should be dealt with specifically in the so-called Kennedy Round, provisions should be made in the rules of GATT which make it mandatory for the industrialized countries not to impose a higher ad valorem duty on processed than on unprocessed primary products of less-developed countries. It should be stipulated as well that in case industrial countries are entitled under the rules of GATT to apply quantitative restrictions, those import restrictions are not to be administered in such a way that they are more severe for finished than for unfinished or semi-finished products of less-developed countries.

It is only natural that the less-developed countries having the investment and technological resources for the processing of their own raw materials or semi-finished products should have the unhampered right of processing their own basic products, as this represents the most economic and efficient form of their industrialization.