1. The Committee met from 21 October to 1 November 1963. This was the first meeting following the meeting of Ministers in May 1963. The report summarizes the discussions in respect of the seven major items taken up by the Committee. Points in the discussion of relevance to several headings will be identified by cross references.

I. Review of Progress in the Elimination of Trade Barriers Affecting Products Examined by the Committee

II. Consideration of Additional Products to Be Examined by the Committee (List Four)

III. Arrangements and Procedures for the Expanded Programme of Developed Plan Studies

IV. Examination of Possibilities of Extending the Activities of GATT to Embrace the Financing Aspect of Bridging the Gap between Export Proceeds and Import Requirements

V. Production and Marketing Techniques and Export Promotion Schemes to Assist the Export Trade of Less-Developed Countries

VI. Establishment of an International Trade Information Centre in the Framework of GATT

VII. Examination of the Effect of the Practical Application of the Provisions of the General Agreement Regarding Export Subsidies and Countervailing Duties on the Export Trade of the Less-Developed Countries

1The Committee was not in a position at this meeting to take up three other subjects, suggested by the Action Committee to be discussed in the first instance in Committee III. The items concerned are set out in AC/3 paragraph 33 (c), (d) and (e), reproduced also in GATT/AIR/347 paragraph 11 (c), (d) and (e)
VI. Establishment of an International Trade Information Centre

(A) Summary of conclusions

2. In discussion of this item of the agenda, the Committee based itself on a paper prepared by the secretariat (COM.III/115) summarizing comments and replies to a questionnaire by thirty-three governments on a proposal by Brazil for the establishment of an International Trade Information Centre (COM.III/93).

3. The Committee noted that, while the types of service envisaged for the proposed Centre were generally available to exporters in industrialized countries, many of the less-developed countries felt that the availability of such services on an international basis would meet what was for them a real need and would make a useful contribution to their efforts to increase their export earnings.

4. The Committee agreed, therefore, that it would be desirable for the CONTRACTING PARTIES to provide for the establishment of an International Trade Information Centre as a further useful development in the GATT for the benefit of the less-developed countries. The Committee recommended that arrangements should promptly be made to convene a meeting of experts in the field of trade information. The terms of reference proposed by the Committee for the expert group are set out in Section C below.

(B) Summary of major points of the discussion

5. There was widespread feeling in the Committee that, while bearing in mind the objective of providing a comprehensive trade information service and possibly market research facilities, it would be practical to proceed step by step and to concentrate, in the first instance, on the provision of trade information in the strict sense of the term.

1Two further countries, Portugal and Uruguay, indicated at the meeting their country's support for the establishment of the Centre.
6. To start with, the Centre could publish data on commercial policy measures relating to products notified to Committee III as being of special export interest to less-developed countries. There was already available a substantial body of relevant information and more data would be forthcoming as work proceeded on the new list of products recently identified as being of export interest to less-developed countries. Data on market opportunities would also become available in connexion with the work to be undertaken under the expanded programme of development plan studies of Committee III. Other subjects could be taken up as the Centre becomes established. Decisions on the expansion of the Centre's work might be preceded by a periodic review of the operations of the Centre.

7. As regards market research activities by the Centre, it was felt that there was merit in concentrating on the more promising markets, including, however, those which could be opened up in the developing countries. Several representatives indicated that their governments were prepared to supply the Centre with data or studies of interest to exporters in less-developed countries and to render assistance to exporters in less-developed countries in respect of market research projects which they might wish to undertake. The Committee agreed that similar indications from other governments would be welcomed. Further, it was suggested that it might be useful to provide for the exchange of market research studies among different countries for their respective markets.

8. Steps suggested by the Committee for the establishment of a more comprehensive Trade Information service were: (i) the resuscitation of the GATT publication "International Trade News Bulletin", possibly in a modified form; (ii) the publication of a register of sources of trade information and (iii) the establishment of a documents centre in the GATT.

9. As information on various subjects proposed for coverage by the Centre accumulated, the Centre would be in a position to provide increasingly useful services, such as the provision of information under the "correspondence facility" for specific markets or commodities, as envisaged in the original

\[1\] It was suggested that such a register could usefully be prepared in collaboration with the International Chamber of Commerce and national Chambers of Commerce.
proposal. Thereafter, in line with the progress made in collecting and processing trade data, the Centre might proceed to the publication of magazines, any special booklets, and the proposed exporters handbook or "encyclopaedia". The subject coverage of the "encyclopaedia" and the other publications envisaged for the Centre, taking account of their more or less "permanent" nature, might be decided upon on the basis of predetermined rates of obsolescence for various types of data.

10. Ideally, information on commercial policy measures should be based on notifications from governments. One of the questions to be considered in establishing the Centre would be to examine how the present notification requirements could be implemented more effectively and whether further notifications might be required for the efficient operation of the Centre. The desirability, both as regards reliability and cost, of obtaining material from official sources should not prevent the Centre from using non-official sources of trade information if the use of such material seemed to be indicated in the interest of comprehensiveness and speed.

11. The Committee agreed that duplication of the work of other agencies should be avoided. It was pointed out, that although data were being published in respect of most of the subjects this did not necessarily mean that information was available to exporters in a readily assimilable form. Indeed, one of the difficulties which had prompted the proposal for the establishment of the Centre was the overabundance of so-called trade information not really relevant for exporters, which made it more difficult for them to obtain the information they needed. The Centre could thus provide an important service not only by publishing relevant trade information, but also by referring exporters to fruitful sources of trade information.

12. The representative of Brazil suggested that work by the Centre on subjects requiring the collection and processing of large quantities of statistical data, such as data on the regional distribution of purchasing power, might usefully be done in collaboration with the United Nations technical services.¹

¹Reference was made by the representative of Brazil to the United Nations Processing and Programming Centre and to its programme of work (ECOSOC documents E 3668 and E 3764) as being relevant to the subject under discussion.
13. As regards the demand for the services of the Centre, the representative of Brazil emphasized that, in his view, the estimates given in COM.III/115 were on the low side. Some countries had not provided any estimate while others seemed to have excluded demand by private traders which would undoubtedly account for the greatest number of subscriptions. While it could not be expected that the Centre would be able to pay for itself at the outset, demand for its services, and thus income from subscriptions, could be expected to grow with time so that eventually it would be self-financing.

14. The Committee agreed that it would be desirable to convene the meeting of experts at an early date, to be determined by the Executive Secretary after consultations with the parties concerned. The Committee welcomed the indication given by a number of countries represented in the Committee that they would be prepared to make experts available for the meeting of the expert group and agreed that, in addition to the specific proposal for the establishment of a Centre, the expert group should be free to take up related matters referred to it by contracting parties. The Committee considered that, in preparation of the meeting, it would be useful if less-developed countries which had experienced difficulties in obtaining trade information would submit notes setting out in detail these difficulties with a view to ensuring that effective solutions to such problems would rapidly be found.

(C) Proposed terms of reference of the Expert Group

15. With a view to finding effective and rapid solutions to the need expressed by less-developed GATT countries for the supply of adequate trade information services as a means of expanding their exports, the Committee proposed that a

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1 Canada, United Kingdom, ... ........................................

The Committee also took note of a proposal by the representative of Brazil that the UNESCO which had done work in related fields should be invited to send an expert to the meeting.
A meeting of experts in the field of trade information should promptly be convened. The experts should be nominated by governments and should be given the following terms of reference:

(i) to advise the CONTRACTING PARTIES on the most efficient means of establishing and operating an International Trade Information Centre within the framework of GATT;

(ii) to indicate work which the Centre should undertake on a priority basis;

(iii) to assess the financial implications of establishing and operating the Centre, account being taken of various alternative schemes;

(iv) to examine, on the basis of specific proposals for submissions by governments, other measures in the field of trade promotion which the CONTRACTING PARTIES could implement to assist the less-developed countries in expanding their export earnings;

(v) to report on the above to the Committee.

16. In their work the experts shall take due account of the views of governments on this subject as summarized in COM.III/115, particularly paragraph 25 of that document, and of the discussion in the Committee on this subject in Section B above, and, as it relates to point (iv), of the summary of discussions in Section V above.
I. Review of Progress in the Elimination of Trade Barriers Affecting Products Examined by the Committee

17. A close examination of progress made by contracting parties in the reduction or elimination of barriers affecting exports of products examined by Committee III has always been an important element in the Committee’s work. However, in view of the important responsibility entrusted to the Action Committee for supervising the implementation of the Action Programme in this regard and bearing in mind that progress in the implementation of the Action Programme will be under constant review in Sub-Committee 1 of the Action Committee and that consultations with the industrialized countries concerned regarding their remaining barriers had only recently been carried out by the Action Committee (AC/3), the Committee agreed that it should not enter into a similar consultation procedure at this time.

18. While the Committee would continue to keep under review progress in the elimination of barriers in respect of the products included in the first three lists it had examined it would not wish to duplicate work being done by the Action Committee. In this connexion it had to be noted, however, that traditionally the scope of the Committee’s examination had extended to measures applied by less-developed countries as well as by industrialized countries and that, in examining possibilities for the removal of quantitative restrictions, the Committee had addressed itself to all restrictions which impeded the export trade of less-developed countries, whether the restrictions were inconsistent with the General Agreement or not. For example, where restrictions were maintained for balance-of-payments reasons, contracting parties concerned had nevertheless been asked, to the extent permitted by their balance-of-payments position, to give sympathetic consideration in the implementation of their import control policy to the relaxation or removal of restrictions affecting items examined by Committee III. The view was expressed that less-developed countries invoking the balance-of-payments provisions of the General Agreement for the maintenance of restrictions should keep this consideration in mind when relaxing their control measures, in line with any improvement in their balance-of-payments. Periodic reporting to the Committee on progress made in the removal of such restrictions would be welcomed.
19. Taking account of the examination to be undertaken by the Committee in respect of a further group of products (see II below), and bearing in mind that some time had elapsed since Committee III had first started work aimed at the elimination of barriers affecting products included in Lists 1 to 3, the Committee considered it useful to take stock of the progress which had been made so far and of the barriers which remained. For this survey, the Committee based itself on a paper prepared by the secretariat showing, in respect of major markets, progress made in the reduction or removal of quantitative restrictions, tariffs and fiscal charges and the remaining barriers (COM.III/119).  

20. The Committee noted with satisfaction that since it started its work, significant inroads had been made in the reduction or elimination of barriers affecting products it had examined. The number of industrialized countries applying quantitative restrictions on items examined by Committee III had constantly decreased. Some countries had eliminated all restrictions or had reduced their application to one or two items. In fact, in many markets quantitative restrictions had ceased to constitute a significant barrier to trade. Progress, though probably less pronounced, had also been made in the reduction of customs tariffs affecting these products. Although, in numerical terms, progress in the removal of quantitative restrictions had been substantial, there was no reason for complacency.

21. Certain hard-core problems remained. Import control measures or restrictions continued to be in force in a number of countries. Items most often affected by quantitative restrictions, in the following order, were cotton textiles, vegetable oils, jute manufactures, coir manufactures, canned fish, oilseeds and roasted coffee; products of considerable export interest to a number of less-developed countries. Also, it was pointed out by members of the Committee that progress had often been slow and had fallen short of the expectations of the less-developed countries. It was urged that the remaining restrictions would soon be eliminated. Moreover, it was a matter of continuing

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1 A revised document will be issued to take account of corrections announced at the outset of the meeting.
disappointment to the less-developed countries that progress on the reduction or elimination of high fiscal charges on cocoa, coffee and tea was still outstanding in the case of the few major markets where such measures were being applied.

22. As regards cocoa, the Committee took note of a report on the outcome of the United Nations Cocoa Conference which had been adjourned on 24 October, sine die. Disappointment and concern was expressed at the failure of the United Nations Cocoa Conference to come up with substantive agreement designed to improve the conditions of trade in cocoa, particularly after the earlier work which had been done in the GATT Special Group on Trade in Tropical Products and the Conclusions reached by Ministers relating to the negotiation of an international cocoa agreement. It was pointed out that, when cocoa was discussed in the Special Group, it had been thought that the questions of trade barriers affecting this commodity would be solved in the context of an international cocoa agreement. With this in mind the Group had made its submission to Ministers. In the light of the failure of the UN Cocoa Conference, it seemed appropriate to reconsider what steps should now be taken in the GATT.

23. The Committee recommended, that the Special Group on Trade in Tropical Products should be reconvened at an early date to re-examine the problems facing the cocoa industry, following the failure of the recent negotiations, and to seek solutions to them in so far as they came within the purview of the GATT.