I would like to make a brief comment on points (a) and (b).

First, regarding point (b) I only wish to say, at this stage, that certain conditions referred to in paragraph 5 of the document LDC/M/5/Rev.1 could be the basis of consideration on the question of preferences to be granted among less-developed countries.

Regarding point (a), I wish to say that my Government will be prepared to give serious consideration to this point if the necessary arrangement that would emerge from our discussion here is a reasonable and practical one.

I already made known at our last meeting the views of my Government on specific points and I would refrain from taking much of this Working Group's time by going through them again but nonetheless I should like to touch upon a few of them on which we place particular importance.

With respect to criteria and procedures we have little to add to what we said at the last meeting of this Working Party. You will recall that at that time we pointed out that preferences should only be granted to those industries which are not at present competitive. In other words, these preferences should be extended only to the products of such export industries which are still in infant and growing stage in individual less-developed countries.

Regarding margins of new preferences, my delegation is of the view that these preferences would be more effective if they are made to vary from product to product than in the case where a uniform margin is adopted.

In this connexion, my delegation wishes to suggest the following practical procedures.

(i) A standing body which we propose to be created should decide on the standard margin for each product.
(ii) On the basis of the standard margin thus established, the industrialized countries and less-developed countries concerned should get together and negotiate for the specific margin to be applied to the products of particular less-developed countries taking into account the degree of development of the industry concerned in those countries.

(iii) The standing body should keep under constant review the appropriateness of the margin of preferences.

I might add that new preferences should be accorded on a temporary basis and that the arrangement envisaged should provide for gradual phasing out of such preferences.

Concerning products to be covered by the preferences, my delegation is in favour of the suggestion that we should for the time being concentrate our attention to those products already under study in Committee III. This is not to say, however, that we should rigidly hold on to the Committee III list. In fact, we think that we should leave the possibility, where necessary, of going beyond the products listed therein.

As to the definition of primary products, semi-manufactured products and manufactured products, we should like to suggest that the matter be dealt with by a standing body taking into account the classifications used in BTN and SITC.

Addressing myself to the question of countries to benefit from preferences, we believe that in defining less-developed countries in the context of these preferences, we might well base ourselves on the classification contained in General Assembly Resolution 1875 of 27 June 1963, bearing in mind, the level of per capita income.

As to the interests of third countries the position of my delegation remains to be that care should be taken to ensure that changes in the pattern of world trade should not be too abrupt nor too drastic.

Further, we continue to believe that the new preferences are gradually to absorb the existing preferential arrangements.