1. At its thirteenth session, in March 1969, the Committee on Trade and Development discussed the question of residual import restrictions on products of export interest to developing countries in the light of developments at the twenty-fifth session of the CONTRACTING PARTIES. The Committee agreed that the Group on Residual Restrictions should be re-convened to resume examination of the restrictions and suggested that this examination might be carried out on a product-by-product basis. A meeting of the Group was accordingly held from 14 to 16 April under the chairmanship of Mr. G.J. Hall (Australia). Members of the Group expressed gratification at the decision of the French Government, announced at the twenty-fifth session, that France would from now on participate fully in the work of the Committee on Trade and Development and its subsidiary bodies. The Group welcomed the presence of the French delegation.

2. As the basis of its deliberation, the Group had before it a new list in which the restrictions were shown under twenty-five product headings (COM.TD/W/93). The restrictions listed in this paper were generally the same as those enumerated in the previous lists (COM.TD/62 and Add.1-5 and COM.TD/W/85). The Group was also provided with a paper containing statistical data relating to imports into industrial countries of the products subject to restriction (COM.TD/W/95).

3. During the discussion, the representatives of certain industrial countries informed the Group of certain measures of liberalization recently taken by their governments and requested that the items in question be removed from the list, notably the following:

**Italy**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>12.04</td>
<td>Sugar cane</td>
</tr>
<tr>
<td>25.03</td>
<td>Sulphur of all kinds</td>
</tr>
<tr>
<td>28.02</td>
<td>Sulphur, sublimed or precipitated</td>
</tr>
<tr>
<td></td>
<td>Colloidal sulphur</td>
</tr>
</tbody>
</table>
4. On the other hand, the Group noted that certain restrictions mentioned in the notification by certain industrial countries had not been included in the secretariat document in COM.TD/W/93 although they related to products of interest to developing countries. These additions, as well as other amendments, would be incorporated in a revised list to be circulated by the secretariat after the meeting. In drawing up the revised list the secretariat would also take into account any further corrections or modifications that might be notified by governments.

5. The Group recalled that at its last meeting a number of developing countries made representations to certain industrial countries with respect to specific restrictions, and invited statements from representatives of the industrial countries concerned. With reference to certain representations made to his Government at the last meeting the representative of Austria stated that, unfortunately, it had not been possible for Austria to take any action in respect to the items in question, namely ex 01.01A (horses for butchering), ex 08.06 (apples and pears) and 16.03 (meat extracts and meat juices). These import restrictions were closely related to problems of agricultural policy which
were manifold and complex and it was difficult for Austria, as for many other countries, to liberalize those imports without a solution being found to agricultural problems in general. Austria was, however, prepared to give careful consideration to any possibilities of taking concerted action with other industrial countries. In relation to jute manufactures, the representative of the Commission of the European Communities reported that some progress had already been achieved in the bilateral discussions which were taking place between India and the EEC and it was hoped that they would lead to a rapid and satisfactory conclusion. The representative of the United Kingdom stated that since the last meeting of the Group, the United Kingdom had, in November 1968, announced a new system of import control on jute products. Under the new arrangements, which had been formulated in consultation with major supplying countries and which would come into force on 1 May 1969, imports from such countries as India and Pakistan would be covered by the global quota and that the old system of price mark-up and State trading would be discontinued. In general, this would amount to a 25 per cent increase in the access to the United Kingdom in volume terms for the exporting developing countries, and the United Kingdom hoped that it would be able to continue to make progress in the direction of further liberalization for these products. As regards the bilateral discussions on black tea imports into Japan the Japanese delegation indicated that such consultations had been started between Japan and a major exporting country and expressed the hope that the consultations which were in progress would soon lead to a mutually satisfactory conclusion. Japan was ready to enter into similar consultations with any other developing country interested in this product.

6. On the basis of document COM.TD/W/93, the Group discussed the restrictions mentioned under each of the twenty-five product headings. This discussion took place on the basis of questions raised or representations made by delegations of developing countries. These generally related to the prospects of liberalization, the methods and criteria used in the restriction of imports, considerations determining the sources of supply and the causes or factors underlying the present pattern of imports, especially where disproportionately high volumes of a product were being imported from developed countries as compared with similar imports from developing countries.
7. In the course of the discussion representatives of industrial countries referred to various reasons for which the import restrictions were maintained. With regard to agricultural products it was stated in many cases that the restrictions formed part of their general agricultural policy which were maintained to deal with a variety of economic and social problems. The restrictions could not be removed until a solution had been found for those problems or until the general problem of agricultural protectionism had been solved through international action. In relation to certain items in the flowers and vegetables groups it was noted by representatives of industrial countries that some of the restrictions were applied on a seasonal basis. In most cases such restrictions were not operative during fairly long periods each year. During these free periods when imports were not subject to any restriction developing countries, in their view, could very well take advantage of the differences in seasons and expand their exports to these markets. It was also noted, however, that in the experience of some industrial countries removal of seasonal restrictions would have the effect of discouraging imports on account of the fall in the price level. The representatives of some developing countries pointed out that as seasonal restrictions were applied by different countries at different times of the year they presented real obstacles to exporting countries in planning new crops or developing production on a long-term or stable basis. The representatives of some developing countries called attention to the fact that according to the statistics supplied by the secretariat, imports into certain industrial countries of a number of products subject to restriction from developing countries were exceptionally low or even negligible whereas similar imports from developed countries were substantial. They enquired as to whether such patterns of imports had been the result of any discrimination in the application of the import restrictions. In most cases the industrial countries applying the restrictions assured the Group that the restrictions were applied through global quotas which were available to all exporting countries participating in it without discrimination. In certain cases where the restriction was administered through
discretionary licensing, such licences were issued without distinction as to the sources of supply. While the unfavourable patterns of imports would thus seem to reflect the results of market forces, commercial considerations and consumer preference, the representatives of certain developing countries took the opportunity to assure the industrial countries that the products of their respective countries were generally of a quality which compared favourably with those of developed country origin and urged the industrial countries to endeavour to facilitate these exports of developing countries.

8. In response to a request made by the representative of the United Kingdom on behalf of Hong Kong the representative of France indicated that her Government would make available to the Group a list of the French restrictions applied especially on imports from Hong Kong. The secretariat was asked to take that submission into account in the compilation of the revised list of import restrictions.

9. The question and representations put forward by the developing countries in the course of the discussion, and the responses given by the industrial countries are recorded in the secretariat notes on the discussions annexed to the present report.

10. The Group considered that the discussion at the present meeting had made a useful contribution to the understanding of the problems of the industrial countries and the anxiety and desire of the developing countries in relation to their efforts to expand their exports. The Group noted that in those cases where a representation or request was made by a developing country with respect to a particular import restriction the delegation of the industrial country concerned had undertaken to convey it to the competent authorities for careful and sympathetic consideration. The Group hoped that at its next meeting many of these industrial countries would be in a position to report further action in response to those representations or requests. As regards further work in the Group, it was noted that some of the products in question are currently receiving attention in other organs of GATT, notably the Agriculture Committee,
and on some products active discussion of problems relating to trade was taking place also in other international organizations. The Group considered that in further pursuing its objective of seeking maximum liberalization it would concentrate its attention at this stage on a few selected items. It was agreed that the Group, at its forthcoming meetings, might take up the following products on a priority basis:

Fish meal, natural honey, cut flowers, potatoes, onions, tomatoes, manioc and arrow-root, bran, molasses, cigars and cigarillos, rice, yarn, fabrics and garments of non-cotton fibres, leather and leather products, footwear made of leather.

11. The Group agreed that in respect of these products the secretariat should be asked to compile statistics on imports, consumption and production in the importing industrial countries. The governments of industrial countries should also be requested to supply all relevant information useful in a discussion of their import control policies relating to these products, in particular information on the economic or social difficulties that in their view would be created by the removal of the restrictions. It was suggested that the Group should re-convene later this year and that the documentation, both the statistics information to be compiled by the secretariat and the material to be supplied by governments, should be made available to members of the Group well in advance of, and in any case not less than six weeks before, the opening of the meeting.

ANNEX

Notes on Discussions on the Restrictions in Twenty-five Product Groups

(To be prepared by the secretariat in consultation with the delegations concerned.)