DRAFT CONCLUDING PARAGRAPHS FOR THE REPORT OF THE GROUP

1. The Group welcomed indications given by some developed countries concerning measures of liberalization recently taken by them or envisaged in the near future. While it was recognized that the progress achieved in the Group so far had been slow and modest in relation to the problems faced by developing countries, it was agreed that efforts within the Group to promote the removal of import restrictions affecting products of export interest to developing countries should continue to be pursued and in this connexion give particular emphasis to seeking concrete solutions designed to achieve the removal of import restrictions on products of export interest to developing countries and to agreement on programmes for the elimination of these restrictions within a reasonable period of time.

2. Members of the Group from developing countries stressed that negotiations to deal with import restrictions in general where developing countries might be expected to grant compensation would not provide a solution. The assumption on which they had been participating in the work of the Group on Residual Restrictions had been that the removal of residual restrictions was not negotiable. In this connexion they regretted that no progress had been made along the lines of the proposal put forward by the delegation of New Zealand during the twenty-fourth session of the CONTRACTING PARTIES. They emphasized therefore, that efforts should continue in the Group to see how far steps taken by developed countries maintaining restrictions on products of interest to developing countries were adequate to secure their removal.

3. Members of the Group from developed countries pointed out that the import restrictions maintained in their countries were the symptoms of certain deep-seated and underlying factors. In this connexion they mentioned the chronic over-supply of certain products on world markets and the over-concentration of certain industries in the under-developed regions of developed countries posing particularly delicate
social, economic and structural problems. One developed country also referred to cases where some of the restrictions applied by that country were maintained solely to meet the need of certain developing countries heavily dependent on its market. These developed countries pointed out that the necessary structural changes to deal with these basic and fundamental problems could in the nature of things only be effected gradually.

4. Some members felt that in cases where world markets were characterized by situations of chronic over-supply, action at an international level was called for.

5. The Group suggested that solutions to deal with the problems mentioned might include the application of systematic programmes of diversification by developed countries in the regions and sectors concerned. In this connexion the Group gave particular attention to the possibility of governments using measures of adjustment assistance to deal with the social and economic problems that might underlie the maintenance of particular restrictions. The view was expressed that progress in the dismantling of restrictions might be expedited by more vigorous use of these measures.

6. The Group recommended that in moves towards complete liberalization, developed countries, in contemplating positive measures for immediate action, should endeavour to modify these restrictions in a liberal direction, for instance, by applying restrictions only seasonally where appropriate, by increasing global quotas, by removing restrictions where quotas are applied and no imports take place, by adopting measures designed to enable new exporters from developing countries to share in markets hitherto reserved for established suppliers, and by removing restrictions on imports of products whether in primary or processed form which were produced exclusively in developing countries.

7. The Group expressed the hope that in pursuing programmes of trade liberalization developed countries would give priority to the liberalization of items of particular interest to developing countries. It was also suggested that governments should give careful consideration to the possibility of relying on tariff measures only, for the regulation of imports where both tariffs and import
quota restrictions were applied to particular items. In this connexion it was further suggested that when certain items had been excluded from the system of generalized preferences it was not necessary to apply restrictions on imports.

8. The Group felt that it would be helpful to have information concerning tariff rates and other charges when import restrictions on products under examination were discussed.

9. The Group noted that the import system of certain developed countries provided less favourable treatment for imports originating in developing countries than was extended to imports from various other sources. The Group expressed the hope that such differential treatment would be eliminated as quickly as possible.