Statement Made in Working Group I (Institutional Arrangements)
by Mr M.G. Mathur, Assistant Director-General,
GATT, on 4 May 1972

Document TD.145 deals, among other things, with the relations between UNCTAD and GATT in the perspective of the forthcoming trade negotiations. There are, of course, many other broad issues of interest before this Group. At the same time I thought I might say a few words about the trade negotiations and about GATT's approach to these negotiations as a contribution, I hope, to the consideration of this particular aspect of the Group's work.

I hope, Mr. Chairman, you will allow me to make some introductory remarks by way of providing a background to the two or three points that I would wish to make, partly because what is happening in relation to these negotiations, and what has been done to prepare for them in GATT, has also been a matter of interest in the other committees.

As everyone is aware, in February 1972 the United States, the EEC and Japan made declarations of their intention to carry out a full review of international economic relations and to enter into comprehensive and multilateral negotiations in the framework of GATT, beginning 1973. At the GATT Council meeting held on 7 March, there was general welcome for this initiative and all developed countries joined in the commitment to participate in these negotiations. While expressing their appreciation of this initiative, the developing countries, however, made it clear that they needed more time and information, in particular with regard to the techniques and modalities for their participation. This need was understood by the other countries. Both developed and developing countries were in agreement at the Council meeting that during 1972 an analysis should be carried out of alternative techniques and modalities for multilateral negotiations on long-term problems. The Council further agreed that, in this work, particular attention should be given to the special modalities that will be required for the developing countries.

This work has already started and the principal GATT groups and committees are now actively examining techniques and modalities including, in particular, those which would bring effective solutions for the trade problems of developing countries. At its March meeting, the Industrial Committee, in outlining some details of its work programme, specifically recognized that "an important objective of the prospective negotiations is that they shall provide effective benefits for the trade of developing countries" and agreed to "analyze and evaluate techniques and modalities necessary for
the participation of developing countries with this objective in mind. In the Agriculture Committee there has already been a discussion of proposals to meet the particular situation of developing countries with respect to certain kinds of agricultural policy measures. Both the Industrial Committee and the Agriculture Committee have also expressed the strong hope that there will be full and active participation of developing countries in their work.

I should now like to deal with three aspects of the matter which would be of interest to delegations. Firstly, the preparations for the negotiations will draw on the technical work that has been going on in GATT ever since the CONTRACTING PARTIES adopted their co-ordinated work programme for the expansion of trade in November 1967. This work programme has covered both agriculture and industry and both tariff and non-tariff barriers. In the course of the preparations many problems have been identified and possible approaches for the working out of solutions explored. Particular emphasis has been placed on the search for solutions relating to the trade problems of developing countries, for example, in such matters as tariff escalation and specially high rates of duties in sectors of particular interest to these countries which have remained outside the GSP, non-tariff barriers such as quantitative restrictions, licensing regulations, valuation practices and industrial standards and agricultural policy measures which relate to imports and exports and production support.

An important aspect of the co-ordinated work programme has also been the effort to promote priority action on tariff and non-tariff barriers affecting the products of export interest to developing countries. In this connexion I might only mention that the Group of Three, set up by the Committee on Trade and Development, has recently completed a searching examination of the trade policies of developed countries as they affect the interests of the developing countries and made recommendations for the elimination or reduction of a number of trade barriers which, in the view of the Group, lend themselves to priority action.

As an example of work done in GATT to provide a negotiating framework for developing countries, a reference might also be made to the trade negotiations among developing countries which have recently been concluded within the GATT. This exchange of preferential tariff concessions among sixteen developing countries, some of whom are not GATT members, represents four years of effort in the course of which the negotiating interests of each participating developing country were defined, rules and procedures for the conduct of the negotiations established, the legal instruments defining the nature and the application of the concessions adopted and a waiver from the provisions of GATT Article I obtained from the CONTRACTING PARTIES.

Inevitably, further work of many GATT groups and bodies, like the Group of Three, and of the secretariat will draw on the detailed studies and discussions that have already been carried out and focus on the objective of ensuring that developing countries can get the maximum return from the negotiations and are adequately prepared for the discussion of the techniques and modalities required for their participation.
My second point concerns the participation of non-GATT developing countries in the forthcoming negotiations. It is the conviction of the GATT secretariat that such participation does not present any real problems. Non-GATT developing countries have participated in earlier arrangements negotiated under the auspices of the GATT, such as those, for example, relating to cotton textiles and the trade negotiations among developing countries. While some supplementary procedures may be needed as the negotiations advance, it is fully open to developing countries who are not GATT members to obtain all necessary information with respect to different aspects of the negotiations. It is also fully open to them to notify their trade interests to the GATT secretariat, to have these interests duly taken into account in the relevant GATT committees and groups and to participate in all relevant discussions. These countries are welcome to participate both in the negotiations and in any arrangements that are worked out in the course of the negotiations.

I hope I have made it clear that one of the main objectives of the negotiations is to safeguard and promote the interests of both GATT and non-GATT developing countries. The GATT secretariat for its part attaches particular importance to this aspect of the matter.

Lastly, UNCTAD document TD.145 mentions the shared interest of the GATT and UNCTAD secretariats in avoiding problems of overlap and duplication. It also refers to initiatives taken in the past by the GATT secretariat to this end. At the present time liaison arrangements exist at the secretariat level which allow the Director-General of GATT and the Secretary General of UNCTAD, and also their principal officers, to meet from time to time to exchange information on developments relating to their respective work programmes and to consult on matters of mutual interest. The UNCTAD Secretariat is also invited to meetings of the various GATT groups and committees dealing with different aspects of the GATT's work programme and the preparations for the negotiations. It also has access to GATT documentation relating to these meetings. The GATT secretariat very much looks forward to a continuation of the present arrangements for co-operation in the work that lies ahead so that the flow of information is maintained and both secretariats can keep each other in touch with developments.

At the same time if trade negotiations of the complexity foreseen are to succeed, there is a common interest on the part of countries to see that the approach made is one of maximum efficiency. It is purely practical and operational considerations relating to the conduct of the negotiations that lead the GATT secretariat to believe that this efficient approach can be ensured only by following the principle of an effective division of responsibility.