1. My delegation has heard with great interest your inaugural address, the statement of our distinguished Director-General and the interventions made by other distinguished delegates on Item 3 of the agenda. We would like to thank the distinguished Director-General for proposing in the documents that he has circulated under this agenda item some concrete ideas on our future work programme. My delegation would take the liberty of drawing the attention of the CONTRACTING PARTIES to the Charter of Algiers which was adopted a few weeks ago by the Ministers of the Group of "77" and which proposes many concrete solutions for solving the urgent problems of the developing countries. Today, the report of the Committee on Trade and Development has been presented to us. We would like to express our appreciation of the work done in the Committee and to its present and previous chairman. Our own suggestions in regard to the future work programme will be based on these documents.

2. By way of a proper background to our future work programme, I think attention must be drawn to the secretariat review of international trade which shows that since the middle of the nineteenth century, there had previously been no eight-year period in which the expansion of international trade had been as uninterrupted and of such magnitude as it was in the period 1958-66. Yet, it was in the same period that the relative share of the developing countries in world trade continued to fall. My delegation feels that in order to give a specific meaning to our future work programme, it would be useful if the CONTRACTING PARTIES were to adopt a target in relation to the expansion of trade of the developing countries. We, therefore, propose that the minimum target should be the doubling of the present exports of the developing countries by 1970. This target should be reviewed every year in which the results of the programmes of augmentation of imports from developing countries should be appraised and assessed.
3. Various references have been made to the Kennedy Round negotiations, whose results have recently been evaluated by an Ad Hoc Group of the Committee on Trade and Development. The unresolved problems of interest to the developing countries have already been identified in the Joint Statement tabled on behalf of the developing countries on 30 June. These problems should now be tackled on the basis of highest priority, so that the Kennedy Round gets completed for the developing countries.

4. On the question of advance implementation of the Kennedy Round concessions for developing countries, my delegation takes this opportunity to thank all those industrialized countries which have tabled lists of items on which they feel able to make concessions favorable to the developing countries with effect from 1 January 1968. However, it is a matter of disappointment to my delegation that this list is much shorter than the list of items of export interest to the developing countries which had been identified in the Kennedy Round negotiations. My delegation had hoped that, in this session, we would be given some idea of the factors which have prevented accelerated implementation of Kennedy Round concessions on all products of export interest to the developing countries. My delegation would, therefore, propose that the CONTRACTING PARTIES should recommend to the participants in the Kennedy Round to implement the Kennedy Round concessions in favor of the developing countries on all items identified as of export interest to them with effect from 1 January 1968.

5. The evaluation carried out by the Ad Hoc Group of the Committee on Trade and Development has already made reference to what might be called the distortion in the distribution of gains from the Kennedy Round with the result that tariff discrimination against the products of export interest to the developing countries has, in fact, increased in many instances. I refer to the problem of "peak" tariff on products of interest to developing countries. We realize, Mr. Chairman, that the full implications of the continuance of these tariffs and the factors which have prevented their scaling down, have perhaps not yet been assessed. We would, therefore, propose an expert study in regard to the problem of "peak" tariffs on products of interest to the developing countries as a prelude to the launching of early negotiations for rectifying this anomaly.

6. Another unresolved problem of the Kennedy Round negotiations relates to the question of restructuring or readjustments in the tariff nomenclatures of the developed countries so as to facilitate the grant of unrestricted duty-free entry to products of export interest to developing countries. Our experience from the limited results achieved in the Kennedy Round or likely to be achieved soon in this field encourages us to hope that such an action, on a larger scale, is both feasible and practicable. In view of the generally accepted principle of non-reciprocity and having regard to the provisions of Part IV, I hope everyone will agree that this matter is really not a matter of negotiation and the developed countries have ample scope for action in this field on a non-reciprocal basis. In order to identify the areas for possible action in this field, we would suggest that the CONTRACTING PARTIES appoint a working party to go into the question of restructuring of the tariffs of the industrialized countries to facilitate the granting of unrestricted duty-free entry to the products of export interest to the developing countries.
7. On the question of preferences, we are happy to see that the thinking of the international community has advanced to a point where one may realistically hope that a scheme of general non-discriminatory and non-reciprocal preferences would be launched very soon. The other day, the distinguished delegate of Japan gave us the good news that their Government was also on the verge of an important decision in this matter. It is the impression of my delegation that there is a general agreement on the concept, the principle and the broad details of a general non-discriminatory scheme of preferences and that only a few details need to be filled in. This, I hope, will be done in New Delhi early next year, so that immediately thereafter, the scheme can be launched. We agree with our distinguished Director-General and other delegates that we need not again go into the details of the question of preferences, for discussions have already taken place in the United Nations Conference on Trade and Development, at Algiers and would soon be taking place in the Organisation for Economic Co-operation and Development. Nevertheless, in respect of a seed which was planted in the GATT, it is the view of my delegation that the CONTRACTING PARTIES would wish to express a strong and unanimous hope that it would soon germinate into a sturdy plant giving sweet fruits to the developing countries. We would have been happier if the developed countries had shared with us the stage of their present thinking on the subject. At any rate, it is necessary for the CONTRACTING PARTIES to give some thought to the part that they may wish to play in the implementation of a scheme of preferences which, after all, is in furtherance of the objectives of the GATT, particularly its Part IV.

8. In the industrial sector, the Director-General has proposed free trade arrangements by progressive stages and by sectors of trade where conditions appear to be propitious. It is our view that in such a programme, very high priority should be given to provide for duty-free treatment to products made by hand, such as handicrafts, hand-woven textiles and other labour-intensive products of cottage industries. The Director-General has also suggested that priority should be given to those sectors and products of most modern and technically advanced industries. We, however, feel that in point of time, simple manufactures and semi-manufactures of export interest to developing countries should be taken up for prior action. Otherwise, the present distortion in the degree of gains due to liberalization of international trade, to which I referred earlier, would get further intensified.

9. For achieving the objective in view, the Director-General has proposed establishment of several working parties. We expect that these working parties will consider in relation to each product what special measures of assistance are necessary in order to enable the developing countries to participate more fully in the trade in those special sectors. The two kinds of issues involved, namely, special difficulties and special measures for developing countries, could be examined either in separate working parties or in the same working party. In respect of specific sectors, in addition to the products mentioned by other delegations, we propose:
(1) a working party to go into the trade of processed items to make it easier for the international community to appreciate what is involved in the transfer of processing processes to the developing countries, so that their foreign income from their natural products increases, and

(II) a working party on semi-products with a view to bringing about industrial co-operation between the advanced industrial units of the developed countries and the advancing industrial units of the developing countries.

My delegation feels that the problems in the steel sector have not yet been fully identified. Should therefore there be a general interest in establishing a working party for the steel sector, my delegation would be happy to participate in its work.

10. In regard to non-tariff barriers, we agree with the Director-General that a complete inventory of such obstacles should be prepared. This is, however, a field in which a great amount of work has already been done and the major obstacles to trade of developing countries in individual developed countries are by now well-known. We would, therefore, propose that simultaneously with preparation of further inventory of non-tariff barriers, action should be completed for immediate removal of those barriers which have been identified. We also suggest that restrictive business practices should be covered by the proposed studies.

11. Our experience so far has been that the existing procedures in GATT have not been adequate in removal of restrictions maintained by some developed countries inconsistently with their obligations under the GATT on products of export interest to the developing countries. In view of this, we agree with your observation that the scope of existing procedures needs to be widened, or the effectiveness of their operation needs to be reinforced. We, therefore, welcome the suggestion made for instituting objective expert inquiries through a panel of experts in regard to hard core restrictions on imports which bear upon the interests of particular developing countries. It is a good suggestion and my delegation has no objection to its being adopted as one of the means available to the CONTRACTING PARTIES for solving the difficulties of the less-developed countries. It is, of course, obvious that this procedure cannot be a substitute for legal procedures, but could only provide a means to the contracting parties to resolve their mutual commercial difficulties with due objectivity and fairness and without being too legal and technical about it. At present we are engaged in bilateral discussions with concerned governments which continue to maintain such restrictions on imports from India. It is quite possible that these bilateral discussions themselves will provide solutions to our problems and we would, therefore, like these bilateral discussions to be completed first before considering how the new procedures could be utilized for solving our problems.
12. In regard to the Director-General's suggestions for merging consultations under article XVIII and the reviews on problems of individual less-developed countries, we agree with the Director-General that article XVIII consultations have tended to become somewhat defensive in nature. We also feel that the trade and aid studies have given too much attention, in an academic sense, to the discussion of national development plans. It is therefore necessary that the CONTRACTING PARTIES should establish a procedure which will enable them to see what they as contracting parties can do in providing international support to the successful implementation of the economic development plans of the developing countries.

13. Another important area in which problems have remained unresolved and to which the Director-General has drawn our attention, is the problem of trade in agricultural products. The experience of the Kennedy Round has proved that this is a field fraught with difficulties. This is also an area of vital interest to developing countries, as a major share of their trade is still in primary and agricultural commodities. In recognition of this fact, under Part IV, the CONTRACTING PARTIES have undertaken obligations to provide in the "largest possible measure more favourable and acceptable conditions of access towards world markets". How to achieve this is a matter which the CONTRACTING PARTIES will have to consider in regard to primary commodities, including tropical, mineral, and temperate zone agricultural products. In our opinion, such arrangements as commend themselves to the CONTRACTING PARTIES for pursuing work in this field, should provide for separate consultations in the following three areas:

(i) products of predominant interest to the developed countries only, e.g. meat and dairy products,

(ii) products of interest to both developed and developing countries, e.g. tobacco and oils etc.,

(iii) products of predominant interest to the less-developed countries, e.g. tropical products. This should cover not only elimination of duties, but also internal taxes and levies on tropical products.

14. The Director-General has also referred to the need of taking measures so that the new export opportunities created by the Kennedy Round get translated into actual export earnings of the developing countries. We agree with him and feel that the new Joint GATT-UNCTAD Trade Centre will have to play an active role in this field. We further suggest that consideration should be given to the adoption of concrete import promotional measures by the developed countries for products of export interest to the developing countries. For this purpose we propose the setting up of an expert group to make concrete recommendations in this regard.
15. We would also like to refer to a proposal which was pursued in the Committee on Trade and Development only up to a point and not beyond, namely, the question of structural readjustments in industrialized countries. We would suggest that this matter should be taken up so that the practical measures that can be adopted by the developed countries to discourage installation or expansion of industries competing with those of developing countries may be considered.

16. Mr. Chairman, finally, we believe that, as stated in the Algiers Charter, the less-developed countries recognize that the primary responsibilities for their development rest on them. The developing countries are determined to contribute to one another's development. We, therefore, attach greatest importance to implementing practical measures which would contribute to expansion of trade and economic cooperation on a multi-national basis. In this regard, the proposals for launching multilateral negotiations among developing countries in GATT are most timely and welcome. We propose to participate in these efforts to the best of our ability and we trust that the results of these efforts, though perhaps modest to begin with, are nevertheless important for enabling the developing countries to contribute to the expansion of international trade. May we express the hope that while these arrangements, which are wholly consistent with Part IV of the GATT and the evolving international commercial policy, are worked out, the developed contracting parties would initiate action for implementing other complementary measures which would assist the efforts of the developing countries in this field.

17. To sum up, Mr. Chairman, my delegation would suggest that CONTRACTING PARTIES might take the following decisions in respect of Item Nos. 3 and 4 of our agenda:

1. Adopt a minimum target of doubling the present exports of the developing countries by 1970.

2. Urge removal of the non-tariff barriers which are inconsistent with the GATT by the end of the year.

3. Make arrangements for completing within the next three months the unfinished tasks of the Kennedy Round, as identified in the Joint Statement of the developing countries on 30 June.

4. Invite all the participants who are developed countries in the Kennedy Round to implement in favour of the developing countries, without phasing, with effect from 1 January 1968, the concessions negotiated in the Kennedy Round on the items of export interest to the developing countries as notified to the Trade Negotiations Committee.

5. Make arrangements for a study, at an expert level, of the problem of peak tariffs affecting the exports of the developing countries.
(6) Appoint a working party to examine the possibilities of restructuring the tariffs of the developed countries so as to facilitate the grant of duty-free entry to the products of export interest to the less-developed countries.

(7) Declare their readiness to assist in the implementation of a scheme of general non-discriminatory and non-reciprocal system of preferences.

(8) Give high priority, in the proposed sector-by-sector studies, to the study of the possibilities of elimination of duties on the products of the hand, and simple products of export interest to the less-developed countries.

(9) Ask the proposed working parties to examine the possibilities of transferring the processing processes to the developing countries and of bringing about industrial collaboration between the industrial units of the developed and developing countries.

(10) Prepare an inventory of all non-tariff barriers (governmental and non-governmental) which are inhibiting the trade of developing countries' products.

(11) Arrange suitable consultations on agricultural and primary products in the following three groups:

(a) products of predominant export interest to the developed countries, such as meat and dairy products;

(b) products of export interest to both developed and developing countries, such as tobacco and oils;

(c) products of predominant export interest to the developing countries, such as tropical products.

(12) Appoint a Trade Negotiations Committee for making arrangements for negotiations for expansion of trade among the developing countries with the following terms of reference:

(i) to elaborate a trade negotiations plan and lay down ground rules for the same, with a view to securing participation of as large a number of developing countries as possible; and

(ii) to supervise the conduct of the trade negotiations.

(13) Appoint an Expert Group to recommend concrete programmes of import promotion by the developed countries in respect of products of export interest to the less-developed countries.

(14) To take note of and express appreciation of the work done in the Committee on Trade and Development.