ITEM 3: EXPANSION OF TRADE

Summing Up by the Chairman

The following would seem to me to be the most important observations and proposals put forward in the discussion:

A. General

1. The contracting parties emphasized their determination and political will to pursue trade policies conducive to further trade liberalization in line with the principles and objectives of the General Agreement.

2. They all recognized that an essential first task is to ensure the full implementation of the Kennedy Round results, to avoid the impairment of these results by restrictive measures and to resist protectionist demands vigorously. The importance of the conditional Chemicals Agreement coming into force as soon as possible was stressed.

3. They want the main Committees in 1969 to move from the stage of study to that of seeking out possibilities for action, so that they can embark upon new negotiations, whether on a broad or on a more limited basis, as soon as the moment is politically right.

B. Trade in Industrial Products

4. A number of contracting parties stressed that the Committee on Industrial Products should always be looking for possibilities for negotiation on tariff or non-tariff barriers, or on groups of non-tariff barriers.

Tariffs

5. Contracting parties expressed the hope that the secretariat study on the tariff situation as it will be when all Kennedy Round concessions have been fully implemented would be ready early in 1969 so that possible lines of action could then be investigated. There was some support for certain tentative ideas put forward, i.e. possible reduction of high tariffs combined with elimination of low tariffs; tariff reduction in certain sectors. The possibilities offered by the broader concept of the "sector approach" were referred to.
6. Representatives of developing countries emphasized the need for:

(a) the accelerated implementation of Kennedy Round reductions on additional items of importance to them;

(b) the highest priority to be given to problems created by peak tariffs, differential tariffs and specific tariffs affecting the exports of developing countries.

Non-tariffs

7. All countries have now expressed themselves in favour of the establishment of sub-groups, so that substantive work on non-tariff barriers should now proceed at the meeting of the Committee on Industrial Products proposed for January.

8. There was support for the suggestion that the Committee on Industrial Products should examine the feasibility of multilateral non-tariff negotiations.

9. Contracting parties have agreed to give special attention in the Committee to non-tariff barriers affecting exports of developing countries. The representatives of these countries stressed that, in examining such barriers, the Committee should take due account of their special problems. They urged that technical arrangements be made for their securing detailed information on non-tariff barriers affecting their exports. The point was made that consideration be given to the possibility of setting up small intergovernmental groups of interested countries to examine, on a priority basis, particular barriers affecting less-developed countries.

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10. Both as regards tariffs and non-tariff barriers the point was made that the CONTRACTING PARTIES should lay down guidelines and target dates for the Committee on Industrial Products in 1969, and that the Committee should report its provisional findings on possibilities for action in the tariff and non-tariff field to the Council before the twenty-sixth session.
C. Trade in Agricultural Products

11. There was agreement on the conclusions reached by the Agriculture Committee, in particular those concerning the programme of discussions that the Committee has agreed to hold during the second phase\(^1\) of its work, on problems of international markets and production policies.

12. There was support for the views expressed in the report by the Chairman of the Committee that, while recognizing the great complexity of the work undertaken by the Committee, this phase of the work programme should be carried through as rapidly as possible so that the Committee could proceed to the active search for mutually acceptable solutions.

13. It was also emphasized that, whenever a favourable opportunity arose and without waiting until the third phase\(^2\) of the programme was reached, contracting parties might suggest acceptable solutions to problems of international trade in agricultural products whenever it appeared that there was a common desire to evolve and implement such solutions.

14. The following specific suggestions were put forward by a number of delegations:

(a) the need for discussions starting immediately on bovine meat because of the widespread difficulties that are significantly affecting international trade in this product, and the establishment of a group on bovine meat;

(b) discussion and implementation of the Canadian proposal on the pressing problem of export pricing and market disruption, as set forth in the annex to document COM.AG/II, and establishment of a permanent working group for this purpose;

(c) establishment of an ad hoc group to seek possibilities for achieving a standstill on certain trade and production policy measures in specific agricultural sectors.

\(^1\)Consideration by the Committee of the preparatory work in order to arrive at the identification of the principal problems.

\(^2\)Discussion of the means whereby mutually acceptable solutions to these problems could be achieved.
D. Developing countries

15. In view of the continuing decline in the developing countries' share of world trade and the urgent need for a substantial growth in the export earnings of these countries, much stress was put by contracting parties on the need for priority consideration to be given to the problems of the developing countries. A suggestion was made that there should be an emergency programme, including the possibility of negotiations, to cope with problems in the field of tariff and non-tariff barriers.

16. I have noted that the activities of the Committee on Trade and Development will, in future, benefit from the active participation of all developed contracting parties.

17. I have already referred earlier in my summing up to the preoccupations and suggestions of the developing countries in the field of tariffs, non-tariff barriers and temperate-zone agriculture.

18. As regards residual restrictions, many developing countries regard vigorous or decisive action by the CONTRACTING PARTIES as a crucial test of GATT's effectiveness in removing obstacles to their export trade. These countries indicated their support for proposals aimed at the establishment of target dates and a timetable for the removal of remaining restrictions.

19. Attention was drawn to the deteriorating situation of vegetable oil and oilseed producers in developing countries. It was suggested by one representative that priority action should be taken in respect of this group of products within the framework of the Committee on Trade and Development.

20. Many contracting parties emphasized the need for more vigorous GATT action towards the attainment of duty-free entry for tropical products. The need to eliminate or remove duties on items, such as tea, as well as tariffs affecting semi-processed and processed tropical products was stressed. A reference was also made to the responsibility of the CONTRACTING PARTIES in bringing about the elimination or reduction of internal charges and revenue duties affecting tropical products.

21. It was suggested that the institutional rôle of the Committee on Trade and Development should be strengthened by making it a focal point for review and action in respect of problems of developing countries, irrespective of where within the GATT such problems are generally considered.

22. Many contracting parties suggested that consideration be given to the rôle that GATT might play in facilitating the introduction of a non-discriminatory scheme of special tariff treatment for exports of developing countries. The need for GATT showing adequate flexibility in accommodating such arrangements was also stressed.
23. Many contracting parties welcomed the progress being made by developing countries within the framework of the Trade Negotiations Committee in exploring possibilities for the expansion of their mutual trade, and indicated their intention of looking at the results of these efforts in a constructive and forward-looking spirit.

24. Some developing countries referred to the need for elaborating appropriate international measures of support within the framework of GATT that would help to ensure that the results of negotiations between developing countries bring practical benefits for the trade of these countries.

25. In their overall appraisal of the activities of the CONTRACTING PARTIES in relation to their trade and development problems, developing countries expressed appreciation for the measures adopted by many contracting parties in pursuance of Part IV. They stressed, however, that their expectation of vigorous and co-ordinated policy action in terms of the provisions and objectives of Part IV has remained largely unfulfilled.

26. Reference was also made to certain specific problems such as the more effective application of the principle of non-reciprocity.

27. Some representatives of developing countries proposed that the CONTRACTING PARTIES recommend the setting up of a working party that would examine difficulties in securing effective implementation of Part IV and advise on procedures to secure more effective and systematic action.