DIFFERENTIAL AND MORE FAVOURABLE TREATMENT FOR DEVELOPING COUNTRIES

The following communication, dated 14 April 1986, has been received from the delegation of India on behalf of developing countries contracting parties to the GATT with the request that it be circulated to all members of the Preparatory Committee.

1. The contracting parties reaffirm that the principle of differential and more favourable treatment embodied in Part IV of the General Agreement and in the Decision of the CONTRACTING PARTIES of 28 November 1979 (L/4903) is an integral and inalienable part of the GATT and the MTN codes, and should be strictly adhered to in any future round of multilateral trade negotiations.

2. Developed countries do not expect reciprocity and they shall not seek, nor shall LDC's be required to make concessions that are inconsistent with the latters' development, financial and trade needs. In this context developed countries shall give particular consideration to problems of foreign debt, poverty and the critical economic situation of developing countries.

3. Special attention should be given to the particular situation and problems of the least-developed among the developing countries, taking into account, among others, the need for immediate implementation of the provisions of the Ministerial Declaration of 1982 in respect of facilitating trade of the least-developed countries.

4. In order to ensure the full implementation of GATT provisions on differential and more favourable treatment for developing countries in concrete situations, it is agreed that specific modalities be devised to quantify to the extent possible the application of these provisions. It is agreed that the principle of quantifying, to the extent possible, the application of differential and more favourable treatment to developing countries be multilaterally accepted prior to the launching of the proposed new round of multilateral trade negotiations, while the specific modalities and operative formulae be arrived at in the course of negotiations. Such modalities could include criteria as regards, inter alia, trade coverage, type of concessions, extent of reduction of trade barriers and timing of implementation of concessions exchanged.

5. In order to ensure effective application of differential and more favourable treatment there is need to strengthen the monitoring mechanism.