

GENERAL AGREEMENT ON TARIFFS AND TRADE

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MINUTES OF THE MEETING OF A GROUP OF LESS- DEVELOPED COUNTRIES ON 6 DECEMBER 1963

Prepared by the Secretariat

1. The fifth in a series of weekly meetings of a group of less-developed countries was held on 6 December 1963 under the chairmanship of H.E. Mr. E. Letts, Ambassador of Peru.
2. Representatives were present from Cuba, India, Indonesia, Israel, Jamaica, Pakistan, Peru, Trinidad and Tobago, the United Arab Republic and Yugoslavia.
3. As agreed at the fourth meeting (LDC/M/4, paragraph 4) the Group addressed itself to arrangements for its further work in relation to the forthcoming meeting of the Committee on the Legal and Institutional Framework of GATT in Relation to Less-Developed Countries. In the discussion, the Group took note of the secretariat paper entitled "Model Chapter on Trade and Development" (Spec(63)316), but in view of the fact that members of the Group had not sufficient time to study it in detail, the Group agreed to postpone detailed discussion until a later date.
4. The Group then discussed the question of definitions concerning the possible scope of the proposed preferential arrangements, the detailed examination of which was entrusted to the small group consisting of the representatives of Brazil, Trinidad and Tobago and Yugoslavia, which had been established earlier (LDC/M/2, paragraph 4). During the discussion it was recognized that this question posed very difficult and complex problems. In view of the urgency and importance of the work involved, the Group decided that the membership of the small group should be enlarged to include the representatives of Pakistan and the United Arab Republic. The small group was asked to report its findings and suggestions on the scope of proposed preferential arrangements on 16 December for discussion by the Group.
5. Further, the Group addressed itself to the question of exchanging preferences on selected products between less-developed countries. In this discussion the Group explored the possibility of various criteria and conditions which would produce acceptable results for the less-developed countries. It was generally felt that the following conditions should meet the prerequisites and form the basis of exchanging preferences by less-developed countries on semi-processed and manufactured goods:

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- (i) the decision to grant preferences and the selection of items on which such preferences were to be granted should remain the sovereign and undisputable right of an individual less-developed country;
- (ii) no less-developed country should have any right to expect that another less-developed country should grant preferences on items which were against the interests of its domestic industries;
- (iii) preferences should be exchanged by less-developed countries on a specified individual item-by-item basis and not on a range of products;
- (iv) the margin of preferences to be exchanged between less-developed countries should be not less than that at present granted on similar products by some less-developed countries to industrialized countries;
- (v) preferences exchanged between two less-developed countries should be unconditionally applicable to like products originating from all other less-developed countries; and
- (vi) finally, preferences thus exchanged should be applied only to less-developed countries and should not, by virtue of the provisions of the General Agreement, be applicable to industrialized countries.

6. Recognizing the importance of the point mentioned in paragraph 5 (vi) above, the Group agreed that this matter should be studied in detail. A second small group consisting of the representatives of India, Jamaica, the United Arab Republic and either Uruguay or Brazil was established to study this matter and to submit its findings and suggestions to the Group for discussion at its meeting on 16 December.

7. The next regular weekly meeting of the Group will be held on 10 and 11 December. The meeting will commence at 9 a.m. in Salle XI, Palais des Nations, Geneva.