

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

AC/W/4

12 September 1963

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Action Committee

STATEMENT BY THE REPRESENTATIVE OF YUGOSLAVIA TO THE ACTION COMMITTEE ON 11 SEPTEMBER 1963

The representative of Yugoslavia stated that, the request of the developing countries for preferences for their industrial products should be considered as a part of the Programme of Action itself. The eighth point of this Programme, called for urgent consideration of other appropriate measures which would facilitate the efforts of developing countries to increase their exports and it was supplemented in the Conclusions of the last ministerial meeting of GATT by the suggestion of the Ministers of the developing countries for preferential treatment to their industrial goods. Another decision of the last ministerial meeting namely that in the forthcoming trade negotiations the developed countries cannot expect to receive reciprocity from the developing countries, can be equally interpreted to provide the ground for further elaboration and early implementation of this line of action.

The Yugoslav representative further emphasized that the structural changes in world trade and the immense needs of developing countries for additional export earnings to finance their economic development made it necessary that GATT and in particular the Action Committee, explore the ways and means to put into effect the request for these preferences. This demand of the developing countries has been gaining wider and wider support. He did not revert to the consideration of this question within the United Nations but he quoted two authoritative sources from industrialized countries.

The Yugoslav representative pointed out that, at its fourteenth ordinary session, the Consultative Assembly of the Council of Europe recognized the responsibilities which the industrial countries carry for the economic progress of developing countries and recorded its belief that it is indispensable that the Atlantic nations revise their present trade policies with a view to expanding the outlets of their markets for the exports of manufactures of the developing countries. He also referred to two United States documents. In a study prepared for the Joint Economic Committee of the Congress of the United States it was recommended that in dealing with

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imports from developing countries two of the accepted principles of commercial policy in the United States should be modified. In the first place, the principle of avoiding tariff reductions which threaten injury to domestic production should not be applied; and secondly, the principle of reciprocity should not be insisted upon in granting tariff concessions in respect of such imports. And in a staff report submitted to the United States Senate Committee on Commerce it was recommended besides the authorization of the President to suspend the principle of reciprocity in negotiating tariff reductions with developing countries, that "one-way free trade" should be established with the developing countries: in other words, all tariff and other barriers to the exports of developing countries should be entirely removed.

To advance the consideration and action with respect to the request of the developing countries for according preferential treatment to their exports of semi-manufactures and manufactures, which is gaining wide support, the Yugoslav representative proposed that the Action Committee consider, though some other bodies of GATT will deal with the same problem, two possibilities. One would be to propose the preferential treatment for industrial goods of developing countries by a specific subject to be decided upon in the forthcoming trade negotiations. The other is to explore the possibility of establishing, through the Action Committee, of a list of industrial products of particular interest to developing countries that will be submitted to the new round of trade negotiations and will be then granted preferential access to the markets of industrialized countries.

In its conclusion, the Yugoslav representative expressed his belief that it seems very unlikely that the accordance of preferences and an increase in the share of developing countries in industrial export would cause any serious dislocations in the pattern of world trade or in the domestic economies of the importing industrialized countries because their present share is very small, sometimes negligible, and the required increase will take up a very small part of the increase of consumption of these products in industrialized countries.