GENERALIZED SYSTEM OF PREFERENCES

I have been requested by the Permanent Representative of the Republic of China at Geneva to bring to your notice the text of the attached Aide-Mémoire.

O. Long
Director-General
Aide-Mémoire

BENEFICIARIES OF THE SCHEMES OF THE GENERALIZED SYSTEM OF PREFERENCES

The name of the Republic of China was included in the list of countries to benefit from the Australian scheme of tariff preferences for specified manufactured and semi-manufactured products from less-developed countries, which was approved by the CONTRACTING PARTIES of the General Agreement on Tariffs and Trade in its twenty-fourth session on 14 November 1967 (SR.24/7, page 80).

The Government of the Republic of China has sent its delegation to attend all the sessions of the Special Committee on Preferences established by the Trade and Development Board in accordance with Resolution 21(II) adopted by the United Nations Conference on Trade and Development in its second session in New Delhi in 1968, held at Geneva from November 1968 to October 1970.

During the said sessions, the Chinese delegation declared that the Republic of China was one of the developing countries and should be entitled to benefit from the generalized preferences, which was contained in Part Two, Chapter 1, Section D of the Report of the Special Committee on Preferences in paragraph 240 of document TD/B/AC.5/36/Add.4, namely:

"(iv) Beneficiaries

"240. In addition to the statement made by the representative of India, speaking on behalf of developing countries members of the Group of 77 (Annex I to the agreed conclusions), and the statement by the representative of Norway, speaking on behalf of members of Group B (Annex II to the agreed conclusion), statements were made on this subject by the representatives of Romania, China, Bulgaria, Cuba, Turkey, Israel, Greece, Malta and Spain. The representatives of all these countries emphasized that their respective countries were entitled to benefit from the generalized preferences from the outset.

"240a. The representatives of Chile and Mexico stated that, in the opinion of their delegations, all developing countries should be beneficiaries of the schemes, in accordance with Conference Resolution 21(II). Furthermore, their countries considered that all the Latin American countries, without exception, were developing countries."

The statement of the Chinese delegation was also noted by the Special Committee on Preferences in its Agreed Conclusions of the same report (TD/B/AC.5/36, page 10).

In its Resolution 21(II), the Conference of UNCTAD recognized "the unanimous agreement in favour of the early establishment of a mutually acceptable system of generalized, non-reciprocal, non-discriminatory preferences which would be
beneficial to the developing countries" and agreed "that the objectives of the
generalized, non-reciprocal, non-discriminatory system of preferences in favour
of the developing countries, including special measures in favour of the least
developed among the developing countries, should be: (a) to increase their export
earnings; (b) to promote their industrialization; and (c) to accelerate their
rates of economic growth".

In accordance with the mentioned Resolution 21(II), all developing countries,
no matter whether they are members of the Group of 77 or not, should be benefi-
ciaries of the schemes of the Generalized System of Preferences at the same time and
should be treated equally without any discrimination.

It is, therefore, requested that the Director-General of the General Agreement
on Tariffs and Trade would bring to notice to the prospective preference giving
countries Members of GATT, including those countries members of the European
Economic Community, of the action taken by the CONTRACTING PARTIES on
14 November 1967.

13 May 1971